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SPEECHES

ON THE

Public Expenditure and National Policy,

BY THE

HON. D. L. MACPHERSON,

SENATOR OF CANADA,

DELIVERED IN JUNE, 1878,

DURING HIS VISIT TO THE COUNTY OF BRUCE,

(PART OF THE FORMER SAUGEEN DIVISION,)

PUBLISHED BY

THE LIBERAL CONSERVATIVE ASSOCIATION OF BRUCE.

"The ruin or prosperity of a State depends so much upon the Administration of its Government that to be acquainted with the merit of a Ministry we need only observe the condition of the people. * * * If we see a universal spirit of distrust and dissatisfaction, a rapid decay of trade, * * * we may pronounce without hesitation that the Government of that country is weak, distracted, and corrupt."—Junius.

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1878.

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THE JOURNAL OF THE

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THE LIBERAL CONSERVATIVE ASSOCIATION
OF THE
SOUTH RIDING OF BRUCE,
TO THE
HONORABLE D. L. MACPHERSON.

WALKERTON, 17th JULY, 1878.

DEAR SIR,—I am requested by the Liberal Conservative Association of South Bruce, to ask your permission to publish in pamphlet form a report of your recent progress through this County and of the speeches which you delivered on that occasion.

The Association is anxious that the matter contained in your speeches should be placed within the reach of every elector.

Your exposure of the incapacity and extravagance of the Administration as a whole, as well as of the recreancy and cupidity of its individual members, must contribute in an important degree to convince the people of the Dominion of the unworthiness of the present Government.

I am also directed to convey to you the thanks of the Association for having visited Bruce on its invitation.

I have the honor to be your obedient servant,

A. B. KLEIN,
Secretary L. C. A. South Riding Bruce.

The Hon. D. L. MACPHERSON,
Senator, Toronto.

REPLY.

TORONTO, 20th JULY, 1878.

DEAR SIR,—I beg to acknowledge the receipt of your letter of 17th of July, and cheerfully grant the request of the Liberal Conservative

Association of South Bruce for permission to publish the Speeches lately delivered by me in your County.

I could have wished they had been more worthy of the compliment that has been paid me in desiring their publication. At the same time I shall be glad to see them widely disseminated. I have examined into the administration of public affairs, especially of the financial affairs of the Dominion, and I should like the result of that examination, as disclosed during my tour in Bruce, to be read not only by every resident in my old constituency but by every Canadian.

A National Policy for Canada being the chief question of the day, the one on which both political parties challenge discussion—although I speak only for myself—I shall be well pleased to have the views which I enunciated to my old constituents placed before the country at large.

Unless my unimportance in the State protects me, I shall probably be accused of having abandoned my free trade principles. Such an accusation would be unjust. I have always been in favor of free trade, but the conditions on which nations trade must necessarily be a matter of arrangement either by treaty or reciprocal legislation. We have been asking our neighbors of the United States for years to enter into a commercial treaty with us in the general direction of free trade, and, so far as the natural productions of the two countries are concerned, on the basis of entire free trade, but they have refused, and, more than refused, they have legislated against our industries. These are patent facts, and shall we, acting like unreasoning, wayward children, neglect and refuse to advance our own prosperity, although we see our neighbors advancing theirs, simply because they will not agree to take common ground with us? Shall we insanely persist in starving ourselves to death because our neighbors refuse to eat with us?

Two statesmen, whose devotion to free trade principles will not be questioned, the present and the ex-Chancellor of the Exchequer, Sir Stafford Northcote and Mr. Gladstone, have recently spoken words of much significance in respect to industries which may be unfairly pressed by foreign competition. In reply to a workingmen's deputation asking for protection on behalf of the British sugar refiners against the competition of the bounty-supported French refineries, Sir Stafford Northcote is reported to have said:

"He could assure them that this was a question which had given the Government a great deal of anxiety, and they did not at all wonder at the representations which had been made that day, following up other representations which had from time to time been made.

"He knew it had been said sometimes, he had seen it put strongly in the journals, that, if foreign countries chose to pay bounties or anything in the nature of bounties on the sugar which they exported and they thereby supplied us with the article cheaper than it otherwise would be, we as a nation had nothing to do but to take advantage of their folly and we need not trouble ourselves as to the effect it had on this or that particular trade. He wished to say he entirely dissented from that view. He did not think we ought to comfort ourselves with arguments such as these. In general he agreed in principle with what had been said by so many there present. He agreed with what had been so well said by Mr. Sampson Lloyd, that we ought not by any legislative enactment to interfere to prevent other countries making use of their natural advantages to supply us with the products which they could supply more advantageously than we could. But that principle did not apply to a case in which by legislative action on the part of a foreign Government, by any artificial action on their part, they could supply us with an article which, if things were left to their natural course, we could supply as cheaply or more cheaply ourselves."

Mr. Gladstone was addressed on the same subject and in his letter of reply he gave expression to views substantially similar to those of Sir Stafford Northcote, and condemned not only the French sugar bounties but everything in the nature of what he described as "concealed subsidies." It is clear from what both gentlemen said that they consider it their first duty to guard and protect British interests, even if to do so effectually should require them to discard some of the free trade principles which they have long held and which at one time they may have regarded as immutable.

The system of "concealed subsidies" would seem to admit of vast extension, and, unless it be nipped in the bud, a serious blow may be struck by means of it at the prosperity of England. It has served already to injure very seriously the sugar refining industry. Could it not be directed effectively against the woollen, the cotton, and the iron industries? Extreme free traders maintain that a nation has no concern with, no interest in the condition of each trade or manufacture which may be carried on within its borders, and that the succumbing of particular industries before foreign competition, only proves that the people are being supplied with the foreign commodity at a lower price than the home manufacturer can supply it, and that the nation is a gainer thereby—a gainer by the ruin of its industries.

Carry this argument to its legitimate conclusion, and suppose the principal industries of Great Britain falling before unfair foreign competition created by "concealed subsidies," and laid prostrate as the sugar refining interest now is, what then would be the condition of the nation? Who in England would be gainers by having offered to them in

their markets foreign goods made artificially cheaper than similar home made goods? Who would have money to buy the cheap foreign goods? What would have become of the capitalists—what of the workingmen of England? They must have removed to foreign countries to find employment for the capital and labor which could no longer be profitably employed in England, because the people of England had thought it sound national policy to allow her industries to perish rather than to protect them from the unfair—from the “concealed subsidy”—supported competition of foreign countries.

I shall not proceed further with the argument. England is too wise and too practical to allow any theory, however plausible, to interfere permanently with her material interests. She will awaken to the fact that her industries are members of her body politic, and that she cannot lose one of them without suffering in national vigor and vitality. She will reject the counsel of those who advise her not to care for the withering of certain of those members, and who tell her that on the whole she will be a gainer by allowing them to wither and drop off and by providing herself with artificial substitutes of foreign manufacture. It will be well for Canadians to ponder over these matters.

In our own case the United States has by legislation virtually excluded our productions from her markets and, by a vicious commercial practice the producers of that country are seriously injuring the producers of Canada. I consider the selling of goods systematically below cost a vicious practice. It should be called commercial Thuggism. If it were extended by the Americans to their home trade as well as to their Canadian trade, it would, of course, quickly result in ruin to the American producers. If we allow the Canadian manufacturer or producer to be annihilated by unfair competition, the Canadian consumer will then be at the mercy of the American producer, who will make him pay for the sacrifices, made in destroying the Canadian producer. The state of affairs which I have described inflicts, in my opinion, a deep wrong upon the Canadian people, consumers as well as producers; and calls for legislation to save our industries from destruction. If our free trade theorists should pronounce this opinion to be commercial heresy, I hope they will answer the arguments of the English statesmen to whom I have referred and in whose opinions I fully concur. It is noteworthy that sugar refining, the injury to which by unfair competition is arousing England, should have been one of the industries which our present Government allowed to perish in this country. Our direct tea trade with China was stifled by their legislation.

I avail myself of this opportunity to express to the people of Bruce my warmest acknowledgments, my deepest thanks for the cordial and friendly reception which they recently accorded to me. The circumstances were unique, and I must recall them. I ceased to be the representative of the Saugeen Division eleven years ago, when at Confederation I was appointed a Senator of the Dominion, and I had not visited any part of my former constituency from that time until the other day. Personal ties must have been weakened by the lapse of time; but I was welcomed with a warmth which proved that I was not forgotten amongst them, but was remembered and regarded as a friend.

I accepted, in the spirit in which I am sure it was tendered, the kindness which, irrespective of party, was extended to me by the people of Bruce, as a recognition of my efforts to serve them faithfully, when I was their representative in the Legislative Council of Canada, and of my continued fidelity to them and to the people of the whole Dominion.

I remain, dear sir,

Your very obedient servant,

D. L. MACPHERSON.

To A. B. KLEIN, Esq.,

*Secretary Liberal-Conservative Association, Walkerton,
County of Bruce.*

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SENATOR MACPHERSON'S VISIT TO BRUCE.

Senator MACPHERSON, having been invited by a number of his old constituents in Bruce, (formerly part of the Saugeen Division), to visit them and address them upon the questions submitted by him to the public in his place in Parliament and in his pamphlets, accepted the invitation and, on June 24th, proceeded by rail from Toronto to Kincardine.

PALMERSTON.

On arriving at Palmerston station he was presented with an address by the Liberal Conservative Association and a number of the leading residents of the village and vicinity, to which he replied briefly, thanking them for the unexpected and gratifying manner in which they had expressed their appreciation of his services in behalf of the public.

LISTOWEL.

On reaching Listowel a large number of the residents, accompanied by a brass band, welcomed the visitor. An address was presented to him by the Liberal Conservative Association, to which he responded. He pointed to the extravagance of the present Government, and the disastrous effects of their incapacity and wastefulness upon the country, and advised the people to exert the power which they will soon enjoy to effect a change in the administration of public affairs.

KINCARDINE.

The reception at Kincardine was a splendid demonstration. He was met at the station by an enthusiastic crowd, many of whom, it was obvious, were old friends. He was escorted through the town at the head of a long procession of carriages, a band of music and a Highland piper enlivening the march with music. The procession halted at the Town Hall, where an address was presented by the Liberal Conservative Association of the town and vicinity, to which he replied, assuring his hearers that the hearty manner in which they had expressed their appreciation of his efforts to secure an honest and economical administration of public affairs would stimulate him to renewed exertions, and should encourage every public man in the Dominion to pursue a similar course.

A meeting was held in the Town Hall at 3 p.m. on Tuesday, June 25th, Capt. C. R. Barker presiding. Mr. Macpherson was greeted with enthusiastic cheering as he arose to address them. When the applause ceased Mr. Macpherson said :

**MR. CHAIRMAN AND GENTLEMEN, MY OLD FRIENDS AND FORMER
CONSTITUENTS OF THE SAUGEEN DIVISION :**

It gives me very great pleasure to accept your invitation to visit you once more and to address you upon the public affairs of the Dominion, especially upon the finances of the country and their management.

The subject you have asked me to address you upon is not an inviting one to a general audience. On the contrary, it is very difficult, even for those who have the gift of oratory, which I have not, to make financial subjects interesting. Public speech-making is not my vocation, and I am quite aware I do not excel in it. All I can hope to do is to place before you plainly and truthfully the actual state of our public finances. If I cannot entertain you with figures of rhetoric, I will give you figures of arithmetic, and while they may be less entertaining, they certainly bear more intimately upon your interests.

NON-PARTIZAN.

I may remind you, gentlemen, that, when I sought your suffrages, I told you I should be non-partizan, that I did not think it would be proper to introduce party politics into the Upper House of our Parliament, and that I should always endeavor to support or oppose measures as I might think best for the public interest. I have endeavored to do so strictly. I stand before you to-day and state that I never gave a vote that I did not believe to be for the public interest, regardless of what the effect might be on parties. (Cheers.) You must be aware that while I accorded a general support to the Government of Sir John Macdonald, yet there were important questions upon which I differed from that Administration. There was one—an alteration of the tariff in 1870—to which I moved an amendment and very nearly defeated the bill. On their Pacific Railway policy I differed, as you know, from the Government, and I stated my reasons in Parliament and elsewhere. The Opposition of that day commended me very highly for having done so. They said my course was exceedingly patriotic and just what it ought to be, coming from a non-partizan member of the Senate. Sir John Macdonald did not revile or traduce me for opposing him on that question. He respected my right and recognized my duty as a member of Parliament to express my opinions, whatever they might be, and to lay those opinions before the public in whatever way I conscientiously believed to be right. (Cheers.) When Mr. Mackenzie's Government succeeded to power, I believed at the time that the change would be beneficial, and I accorded them a general support.

WHY HE WITHDREW HIS SUPPORT.

I supported their measures almost as a matter of course until I had reason to believe that they were not keeping faith with the country—until I had grounds for believing that they were violating their pledges of economy and purity in the administration of public affairs and were squandering the public money. I called the attention of Parliament to these matters three sessions ago. Two sessions ago I looked more closely into the administration of public affairs, and found it even worse than I had before supposed. I called the attention of the Government in Parliament to it several times, and then, in the following summer, I addressed to you, my old constituents, my views on the mal-administration and wastefulness of the Administration. I ask you, gentlemen, if that were stepping beyond my duty? Did you not place me on the watch-towers of this country, and was it not my duty to tell you, when I discovered that the Government, your servants, were wasting your substance and mal-administering the affairs of the country? (Hear, hear, and cheers.)

STATEMENTS INCONTROVERTIBLE.

That is all I did, and for having done so you know how I have been attacked by members of the Government, how I have been vilified and traduced by their organs; and yet, gentlemen, they have not been able to disprove one of the charges contained in the financial statements which I submitted to you. (Cheers.) Mr. Mackenzie himself, with unparalleled hardihood, said at one of his political pic-nics that there was a falsehood on every page of my first pamphlet. Mr. Mackenzie should not have said that of another member of Parliament, or of any one, unless he could prove it, and could have adduced his proof on the spot; but he did nothing of the kind. I called upon him to prove his assertion or retract it. He attended many pic-nics and repeated his general denial of my statements, but not one tittle of proof of their inaccuracy did he adduce. We have had a session of Parliament since, but neither Mr. Mackenzie nor any of his supporters in Parliament refuted one of my statements. I sat opposite to members of the Government for three months in the Senate, and none of them disproved the facts I submitted to you. (Cheers.) Mr. Brown, one of the few days he was there, replying to a speech of mine, held up my pamphlet and gnashed his teeth over it, but that was all he did or could do. (Cheers and laughter.) It is the truth contained in my pamphlets that stings the men whose incapacity, extravagance, and hypocrisy I have exposed to the country. (Cheers.)

A PETTY INSULT.

Then they adopted another line of insult towards me. When they found themselves unable to refute my charges they said, "Mr. Macpherson did not write the pamphlet at all; another man wrote it." (Laughter.) I

took no notice of this until Mr. Mackenzie, forgetting what was due to his office and to himself, made that statement. I then addressed a letter to Mr. Mackenzie through the Press denying the paltry charge, and called upon him to prove or retract it. Prove it he could not, and he has not had the manliness to retract it. (Cheers.) On the contrary, within the last month, when addressing a body of his own constituents, he said, "The man who wrote Mr. Macpherson's "pamphlet made a mistake in the figures." It is scarcely possible to imagine a piece of more contemptible impertinence. (Hear, hear.) There are men in the country, no doubt, who could have done, more clearly and forcibly, what I did. I did it, however, and whether well or ill done, it was all my own. (Cheers.) I doubt very much whether Mr. Mackenzie can say as much of all he submits to the country. (Cheers and laughter.) It is very well known that Mr. George Brown is the head of the Government of this country; that Mr. Mackenzie is merely his substitute—

A VOICE—Prove that !

A VICARIOUS PREMIER.

Hon. Mr. MACPHERSON—The fact that Mr. Mackenzie imagined what he stated is strong presumptive proof that he himself is in the habit of doing what he imputed to me. (Cheers.) Mr. Mackenzie is simply a substitute—a vicarious premier. (Hear, hear, and laughter.) His policy is furnished to him by Mr. Brown, and he has to carry it out according to Mr. Brown's dictation. There is no doubt of that. It would not suit Mr. Brown to be at the head of the Government. He is not available; he is a "governmental impossibility."

A VOICE—No, no.

WHO IS THE REAL PREMIER?

Hon. Mr. MACPHERSON—I do not use the term offensively, or as a reflection upon Mr. Brown; he has stated it himself. As the proprietor of the *Globe* newspaper it would not be possible for him to be the nominal head of the Government, but there is nothing to prevent his being the real head. (Cheers.) He called Mr. Mackenzie and his colleagues into political existence. No one will deny that, if Mr. Brown should blow upon those gentlemen, and turn upon them the fire of the *Globe*, they would fall from their positions more rapidly than they ascended to them, and would disappear from the stage of public life forever. (Cheers.) I am rather amused that even one gentleman should dissent from the opinion I have expressed on the relative positions of Mr. Brown and Mr. Mackenzie. Their positions recall an anecdote of the late Mr. Seward, who was Secretary of State in the Administration of President Lincoln. At one time he was Governor of the State of New York, and Mr. Thurlow Weed, who is still living, was and is, like Mr. Brown, an influential journalist. Governor Seward was one day travelling in the interior of the State by stage coach, and sat beside the driver, with

whom he conversed. Something was said which induced the Governor to speak authoritatively, and he said, "Well, I ought to know "for I am Governor of the State." The stage driver replied, "No, you "aint. I know the Governor, and 'taint you." "Well," said Mr. Seward, "you will see when we come to the next stopping place." At the next village Mr. Seward stepped down and was addressed by several friends as Governor. The stage was ready to start. Mr. Seward resumed his seat beside the driver and said, "Now, who's right? are you satisfied that I am "the Governor?" "No," replied the driver, "you're not the Governor. You "may be Bill Seward, but Thurlow Weed is Governor." (Cheers and great laughter.) Mr. Mackenzie may be Alexander Mackenzie, but George Brown is Prime Minister of Canada. (Renewed laughter.)

CONTINUED EXTRAVAGANCE.

In the first pamphlet which I addressed to you, I submitted statements of the finances of the country down to the close of the financial year ending June 30th, 1876, which was as far as I could then trace them. The Public Accounts for another year, to the 30th of June, 1877, were submitted to Parliament last session. In my investigations of these accounts the evidences multiplied of continued mal-administration, extravagance, waste-fulness, and, I grieve to say, of general faithlessness to their pledges on the part of the Government. Before touching on the grosser acts of their mal-administration, I shall call your attention to the increased expenditure in their own departments and in their own offices, the expenditure in which is just as much under their control as the expenditure in your respective households is under your control. The Government are in the constant habit of saying that they were committed to expenditure by their predecessors, but that cannot be true of the expenditure in their own offices. Their predecessors did not impose obligations upon them in respect to their departments and offices, and it was their duty, if the business of the country diminished, or if the revenue fell off, which it did, to have retrenched, even if they had not been pledged to a policy of retrenchment and economy. But they were pledged to the very lips to curtail the public expenditure and to pursue a system of rigid economy. Notwithstanding their promises and the falling off of revenue, they increased the expenditure. I deny altogether their right to absolve themselves and to cast the responsibility upon their predecessors for their own mis-management of the finances of the country. If a new Government has no power what is to be gained by a change of Government?

INCREASED EXPENDITURE.

In my first pamphlet I submitted a statement which showed the increased expenditure charged to the Consolidated Revenue Fund in 1875 over 1873, and in 1876 over 1875. I submit it again and I add to it the sum at which I estimate the increased controllable expenditure of 1877 over 1876, as follows:—

STATEMENT SHOWING INCREASES OF EXPENDITURE Charged to Consolidated Revenue Fund for 1875 and 1876 over 1873, and for 1876 over 1875, under the following heads, being Items which are largely within the Control of the Government, and also showing the Increase in the Controllable Expenditure for 1877 over 1876. (Public Debt Charges not included.)

DEPARTMENTS.	Increase 1875 over 1873.	Increase 1876 over 1875.	Increase 1876 over 1873.
Civil Government.....	\$158,391	.....	\$ 91,121
Administration of Justice.....	98,439	\$ 46,686	145,125
Police and Penitentiaries.....	71,682	.....	4,968
Legislation.....	.....	54,957	12,743
Geological Survey.....	29,199	3,226	32,425
Arts, Agriculture, etc.....	.....	47,416	9,488
Immigration and Quarantine.....	15,402	83,075	98,477
Marine Hospitals.....	10,871	1,950	12,821
Pensions and Superannuations.....	38,724	70,874	109,598
Ocean and River Steam Service.....	.....	93,057	90,339
Fisheries and Light-houses.....	.....	97,191	75,778
Inspection Insurance Co's., etc.....	.....	8,914	7,847
Subsidies to Provinces.....	829,562	.....	768,956
Public Works.....	159,462	191,866	351,328
Miscellaneous.....	18,329	91,537	109,866
Indian Grants and Manitoba Surveys..	131,513	108,639	212,549
Mounted Police.....	333,583	35,935	369,518
Boundary Surveys.....	121,741	12,364	134,105
Customs and Excise.....	142,457	57,441	199,898
Weights and Measures.....	69,969	29,816	99,785
Public Works, Including Railways....	643,388	.....	548,312
Post Office.....	452,995	101,966	554,961
Minor Revenues.....	.....	3,111	2,778
Net increase of Annual Expenditure (largely within the control of the Administration) in 1875 over 1873		\$2,960,336	
Net increase of Annual Expenditure (largely within the control of the Administration) in 1876 over 1875		717,062	
Net Increase of 1876 over 1873.....		3,677,398	
Less Expenditure authorized by Statute in Session 1873, \$1,500,000, and allowed for probably necessary increases, \$377,398.....		1,877,398	
Making the net Increase of annual Expenditure on items largely within the control of the present Administration to 30th June, 1876			\$1,800,000
Increase of annual Controllable Expenditure in 1877 over 1876, after expunging decreases which were not effected by retrenchment, \$513,527, say, at least.....			500,000
Total Annual increase of Controllable Expenditure for which the present Government is responsible			<u>\$2,300,000</u>
This sum of \$2,300,000 is the interest at 5 per cent. on \$ 46,000,000			

WHY THE YEAR 1873-4 IS OMITTED.

I have omitted the year 1873-4 from my comparisons. You may have seen that I have been very much blamed by friends of the Government for having done so, but the more I reflect upon it the more convinced I am that I did right to omit that year. Neither Government was responsible for the whole expenditure. One was in office for four months, the other for eight, and it was utterly impossible to discover the share for which each was responsible. The last complete year of Sir John Macdonald's Government was 1872-73, and the first complete year of the present Administration was 1874-75. A largely increased expenditure was authorized by Parliament in the session of 1873. I do not hold the present Government responsible for it, but after endeavoring, by every possible means, to ascertain how much they were responsible for, I came to the conclusion that the late Government was responsible for \$1,500,000. I credited Mr. Mackenzie's Government with that amount, and with a further sum of \$377,398, and held them responsible for the balance of the increase—\$1,800,000. I have no doubt you are all familiar with these facts, and I shall not go into the details more fully, although I have them before me.

1877 COMPARED WITH 1876.

I will tell you how I arrived at my estimate of the increased annual controllable expenditure in 1877 over 1876. The expenditure on certain public works was \$1,810,840 less in 1877 than in 1876, but there was an increase of \$474,802 on certain other public works of the same class and a further sum of \$343,591 charged, in error, to "Intercolonial Railway Renewals Suspense Account," making altogether \$818,393, and leaving an apparent decrease of \$992,000

I sought for evidences of retrenchment but found none. There was a reduction in expenditure upon public works, such as buildings which were finished. Now, when a building is completed the owner deserves no credit for discontinuing to pay the contractor as if the work were going on. Expenditure had been reduced in this way, but the reduction was not in the nature of retrenchment. (Hear, hear.) The item for Militia and Defence was reduced \$478,000. If that had been a *bonâ fide* permanent reduction, it would have been in the nature of retrenchment, but it was not so, and I had evidence that it was not, because in the following year the estimate was increased \$250,000, so that the diminished expenditure of 1876-7, under that head, was of a temporary nature. So also in respect to the item for "Dominion Lands "Surveys in Manitoba." No surveys had been made. A large quantity of land had been surveyed in former years, and none was needed in 1877. But the lands which remain will have to be surveyed, and an item for the cost thereof will re-appear. On the whole, I make the actual increase of strictly controllable expenditure, after expunging decreases, which were not effected by retrenchment, \$573,527 for the year ending 30th June, 1877; I call it in round figures half a million of dollars. That amount

added to the sum of \$1,800,000, makes the increase of the controllable annual expenditure, largely in the departments and within the control of the Government, \$2,300,000 for which the present Government is responsible. I think you will agree with me that that is an enormous increase in the controllable expenditure, especially to be achieved by a Government which promised to be *par excellence* the Government of retrenchment, economy, and reform. (Cheers.)

SALARIES AND CONTINGENCIES.

The next statement is one showing the amount expended for Salaries and Contingencies in the public offices at Ottawa and for Legislation. There is no man in this room, I venture to say, be he a supporter or an opponent of the Government, who did not expect retrenchment from Mr. Mackenzie. I supposed that economy with him was an instinct, and expected that he would practice and enforce retrenchment in every branch of the public service. Probably no one here to-day is more disappointed than myself. Where we looked for retrenchment we found extravagance; where we looked for economy we found waste; when we asked for explanations we were laughed at. Remember the support the people gave to the Government in the House of Commons. No Administration that ever held office in this country had such a majority sent to its support. The Government were all powerful, and they might have redeemed their pledges of retrenchment and purity had they chosen to do so. The people left them without excuse for not doing so, but they were faithless to the country. The following Table shows the

Total Expenditure for Salaries and Contingencies, in the Public Offices at Ottawa, and for Legislation.

UNDER SIR JOHN MACDONALD'S GOVERNMENT.				UNDER MR. MACKENZIE'S GOVERNMENT.			
Folio*	Year.			Folio*	Year.		
93	1870	Salaries and Contingencies.	\$631,558	86	1875	Salaries and Contingencies	\$909,265
52	1871	do	642,300	82	1876	do	841,995
53	1872	do	655,598	64	1877	do	812,193
			\$1,929,456				\$2,563,453
109	1870	Legislation ..	379,753	110	1875	Legislation ..	572,273
65	1871	do	356,205	102	1876	do	627,230
65	1872	do	392,830	82	1877	do	596,006
Expended by Sir John Mac- donald's Government in three years, 1870, '71, '72 \$3,058,244				Expended by Mr. Macken- zie's Government in three years, 1875, '76, '77 \$4,358,962			
				Increase \$1,300,718			

*The Folio refers to Public Accounts—Official return.

The years 1873 and 1874 are excluded, as, owing to General Elections having been held, the expenditure in those years was abnormal. The above table shows that in three ordinary years Mr. Mackenzie's Government spent, in Salaries and Contingencies at Ottawa, and for Legislation, **\$1,300,718** more than Sir John Macdonald's Government spent in three ordinary years, or at the increased rate of **\$433,572** a year. A large part of this increased annual expenditure of **\$433,572** was within the control of the Government, and is the interest at five per cent. on **\$8,671,440**, and is five cents a bushel on **8,671,440** bushels of wheat.

I think you will consider this a remarkable specimen of economy,—or rather of corrupt extravagance. We did not expect to have had such an exhibit from this Government; but it is only the index to larger wasteful expenditure which cannot now be traced in the Public Accounts. These statements which I am submitting are important in amount, it is true, but much more important as indicating, I fear, the extravagance of the Government in the larger spheres of expenditure. Large sums have been expended practically without audit. In some cases audit is almost impossible. Such expenditure should be made with great care, and entrusted only to men of the highest character. If a large expenditure is made in the North West, for instance, how is it to be audited? During last year \$198,000 was disbursed there by Mr. Nixon, whose name is familiar to you, no doubt, in connection with the Township of Proton, in the neighboring County of Grey. It was a large sum to have been expended practically without audit. An effort was made last session to enquire into the working of Nixon's purveyorship, but the Government used its great majority to obstruct and defeat the enquiry.

LEGISLATION

has been most costly. A session of Parliament costs now, in round figures, \$600,000, and the five sessions of the present Parliament, cost \$3,000,000. I ask the people of this country, the people I am addressing, if they believe they have got value for \$3,000,000 in legislation from Mr. Mackenzie? I ask them if they consider the expenditure at all justifiable or excusable in the present condition of the country? (Cheers.)

MR. MACKENZIE'S RECKLESS STATEMENTS.

Mr. Mackenzie, in a speech which he delivered on the 28th of May last at Lindsay, cast some reflections on the Senate, which I shall now refer to. He complained that the Senate had rejected some of his measures, and characterized that House as generally obstructive. He said:

"It mattered not whether a measure was good or bad, it would be opposed as a matter of course; and some measures which passed our House without a division were thrown out of the Senate by the action of the Conservative party in that branch of the Legislature, which has, I hesitate not to say, become a mere political committee of the Conservative party organized for party purposes. (Cheers.) I regret to have this to say of the conduct

" of the gentlemen of the Opposition in the Senate, but truth compels me to speak plain words regarding the action of a body which does not represent the people of this country. (Renewed cheers.) And I say this with all the more regret, and with all the more grief, I may say, because I was one of those who, at the time when Confederation was under discussion, took the ground that it was desirable that the Senate should be constituted differently from the Lower House, and that it was perhaps the best plan to have its members nominated by the Administration of the day. But when I found that out of thirty-two men, I think, nominated to the House after its creation by the late Administration no fewer than thirty-one were strong political partizans, and that consequently the succeeding Government was bound to appoint political partizans also, I cannot help expressing myself in this way. As matters have turned out it seems that we have no power over the legislation unless we have a majority in both Houses,—that is, we have no certainty of legislation. I think the Senate should be a body which would exercise a careful supervision over the legislation, and that it should be a House governed as little as possible by the strong party influences which may happen to prevail in the country at the time; but if it is to be a pure party organization like the Lower House, then it must have the same origin as the Lower House, and you and I must have a voice in constituting it. (Cheers.) It is tolerably evident that this must be the end of the thing, " unless there can be some change of tactics. (Cheers.)"

THE SENATE.

Would you not suppose from this that Mr. Mackenzie never had had an opportunity of appointing Senators, and that the Senate had rejected a great many of his measures? What are the facts? The Senate consists of seventy-seven members, twenty-four of whom are from Ontario. When it was constituted twelve Liberal Conservatives and twelve Reformers were appointed from Ontario, and Mr. Mackenzie, since he succeeded to office, has appointed fifteen Senators, and there are two vacancies at present, one of them since the beginning of last session, which he might have filled. I should be sorry if the Senate became partizan, or pursued an unfair or illiberal course to the Ministry of the day, no matter what their politics may be, and I am sure it will not do so. Could anything be more inaccurate than Mr. Mackenzie's remarks on the constitution of the Senate? On seeing Mr. Mackenzie's observations upon the alleged obstructiveness of the Senate, I obtained a list of the bills which the Senate had rejected while his Government has been in power, and I hold it in my hand.

THE TUCKERSMITH BILL.

In 1874 the Senate rejected a bill to readjust the representation of the County of Huron. The object of the bill was to detach the Township of Tuckersmith from one riding and attach it to another for the purpose of changing, it was understood, the political complexion of the county, and doing what our neighbors call a little "gerrymandering." (Applause and laughter.) The Senate considered the proceeding unconstitutional and rejected the bill. I have never heard even Ministerialists say that the Senate did wrong on that occasion, and it was the only Government measure defeated or amended in 1874.

THE ESQUIMALT AND NANAIMO BILL.

In 1875 the Esquimalt and Nanaimo Railway Bill was thrown out. It would occupy too long a time to enter into the history of that measure. The Opposition as Mr. Mackenzie would call those Senators whose proclivities are supposed to be Conservative, thought it was not a proper bill to pass, but they were not sufficient in number to defeat it. It required the votes of two of Mr. Mackenzie's supporters to reject it. I have never heard it alleged that that was an improper or unwise exercise of the constitutional power of the Senate. On that occasion your member—Mr. Blake—agreed with the Senate. He was not then in the Government, and voted against the bill in the House of Commons.

COUNTY COURT JUDGES' SALARIES BILL.

Another measure was rejected, or rather postponed for a year, in 1875. The Nova Scotia Legislature had established County Courts for that Province, and the rejected bill was to assign salaries to the Judges. From what was stated in Parliament it seemed that the people of Nova Scotia did not desire the measure and that it might be repealed at the next sitting of the Legislature. It was not repealed, however, and an act granting salaries to the Judges was passed during the next session of the Dominion Parliament, so that no harm was done.

The Senate rejected no Government measure sent from the House of Commons in 1876.

THE PUBLIC ACCOUNTS AUDIT BILL.

In 1877 the Senate rejected only one bill—the Auditing of Public Accounts Bill, the chief object of which was to change the fiscal year. The Senate thought if that were done it would be impossible to institute comparisons of the expenditure for several years to come. The bill, on my motion, was rejected. Some of the supporters of the Ministry voted against the measure.

BILL CREATING OFFICE OF ATTORNEY-GENERAL.

In 1878 the bill for abolishing the office of Receiver-General and creating the office of Attorney-General was rejected. The Senate was of opinion that the change was not a wise one to make. It considered that there were legal offices enough in the Government and that the finances of the country should be carefully watched. For that reason the bill was rejected.

THE PEMBINA BRANCH LEASE BILL.

Another measure was rejected,—that authorizing the Government to lease the Pembina Branch Railway without submitting the conditions of the lease to the Senate. Senators contended that the Pembina Branch should be built, and that American Railway Companies should be invited to connect with it, but that to lease the road as proposed to what is practically the pre-

sent monopoly, would be to rivet the fetters of that monopoly upon the people of Manitoba for the term of the lease. The Government threatened to postpone the construction of the road if the Senate persisted in its amendment. The Senate said: "Make the lease, submit it to us, and if we approve of it we will pass it, but we will not authorize you to make a lease affecting the commerce and prosperity of the North-West and of the Dominion at large which the Senate is not to have an opportunity of passing upon." This the Government refused to do, and the bill was lost. I am glad to see the Government has taken the advice of the Senate and is completing the Branch, and that there is also a prospect of a second American railway being extended to our frontier at Pembina. The Government wanted to lease the Branch to the St. Paul and Pacific Railroad Company, and if that Company had got it they would have taken the whole trade of our great North-West to St. Paul away from our own channels, and it would be difficult, perhaps impossible to bring it back. The measure was opposed in the Senate on the ground of public policy. Another Company, I see, has now taken authority to extend its line to our frontier, as I find by the following paragraph:

"The President of the Northern Pacific Railway Company has been authorized to survey for a railroad from Fargo, Dakota, down the Red River of the North to the Canada line, 150 miles, for the purpose of opening connection with the Canada Pacific Railway."

This is good news, because if we can get a connection with the Northern Pacific Railway the freight may be brought down to Duluth, and thence it may flow into Canadian channels, which practically it would not do if it were taken to St. Paul. In respect to the Pembina Branch Lease Bill the Senate did good service to the Dominion at large, and especially to Manitoba and the North-West. I have now gone over all the Government measures from the House of Commons which the Senate rejected, and I believe in every instance our action had the approval of the people.

Mr. Mackenzie at Lindsay further said,

"Now with regard to the legislation generally which has taken place under this Administration, I think we have fair reason to congratulate ourselves that during the five sessions which we have held we have managed to carry through almost every measure of importance which we promised at the commencement of our career. It is true that during last session we were defeated on one or two of our bills in the Senate. We were obliged to abandon some other bills because of the determined obstruction which was offered to our measures, but I say now, and I say it with some pride, that we have been able during our term of office to carry out our entire programme of measures, and that with reasonable despatch and in such a manner as will meet with the approval of the country at large. We are not afraid to stand a comparison with our opponents with regard to the legislation which we have carried through." After referring to the Controverted Election Law, and the Act relating to the members of the House of Commons as among the measures which had been given to the country by

the present Administration, Mr. Mackenzie went on to say that he would not address them much longer, but would make way for Mr. Laurier.

I think it was a great pity that Mr. Mackenzie did make way for Mr. Laurier, that he did not go on and explain to the people the legislation of his Government. The only acts he mentioned were the Controverted Election Law, and the Independence of Parliament Act. The principal amendment which he made to the former act was to allow Members who were unlawfully and corruptly elected to sit for one session—that is, their case could not be proceeded with during a session of Parliament. It was much to be regretted that Mr. Mackenzie did not go on further and describe, at length, his

WHITEWASHING BILL.

(Cheers.) By a series of corrupt proceedings on the part of members of the House of Commons and of the Government, that act was rendered necessary. It is well known that the Speaker of the House of Commons was a contractor; that he sat for four sessions while a contractor; that he received as a contractor very nearly \$20,000. Now, the Speaker says he did not know he was a contractor—did not know he was violating the law. Whether he knew it or not, well did the lawyers in the Government know that no member of Parliament could be receiving money for services performed, without being a contractor and vacating his seat. In the face of these facts Mr. Mackenzie said at Lindsay, "He (the Speaker), by the mere accident of having done some printing for the Government, at the ordinary rates, in the office he owned or controlled, was found to have violated, technically, the Independence of Parliament Act, and he was obliged to resign in consequence." As a matter of fact Mr. Anglin had not the facilities to do the printing, and "farmed" out the work; and yet Mr. Blake has said that Mr. Mackenzie is accurate, and that his statements are to be relied upon. The Speaker's matter was referred to the Committee on Privileges and Elections, of which Mr. Blake—then Minister of Justice—was one of the prominent members. He unfortunately was ill at the time. The committee sat for a number of days, and would not act until they had Mr. Blake's opinion. It finally was decided that Mr. Anglin's contract was illegal and that his seat was vacated, but by an extraordinary proceeding on the part of the Government, the report of the Committee was not read in the House of Commons, because the members were summoned to attend at the bar of the Senate at the moment the report was presented, and the prorogation stopped all proceedings. Mr. Mackenzie might also have explained, at Lindsay, the position of some of his colleagues, and the violation by them of the Independence of Parliament Act. He should have told of the late Minister of Militia, Mr. Vail, who was a contractor, and got a very large sum from the Government—his share, whatever it was, of \$25,000. He fell a victim to the heat of the fiery furnace of re-election. His partner, Mr. Jones, however, was re-elected. He retains his share of the Vail-Jones printing contract, and is now Minister of Militia. Mr. Mackenzie might have told of probably twenty other colleagues

and supporters, in whose eyes the Whitewashing Bill—the bill which relieved them from enormous penalties—was the most important bill of the Parliament. When the people read all that Mr. Mackenzie had to say in support of his legislation,—after boasting that his Government had carried out their legislative programme,—they will really believe that his Reform Government had found nothing to reform, and that the people have got but little in return for the \$3,000,000 of their money expended by Mr. Mackenzie on legislation. \$3,000,000 is equal to ten cents a bushel on thirty millions of bushels of wheat!

I shall now submit to you a statement of the

CONTINGENCIES AND GENERAL EXPENSES of the Departments at Ottawa and of the House of Commons.

UNDER SIR JOHN MACDONALD'S GOVERNMENT.			UNDER MR. MACKENZIE'S GOVERNMENT.		
Year.	Total Contingencies and General Expenses.	Salaries of Extra Clerks, included in Contingencies.	Year.	Total Contingencies and General Expenses.	Salaries of Extra Clerks included in Contingencies.
1870..	\$353,150	\$3,624	1875..	\$383,515	\$38,821
1871..	294,177	4,055	1876..	410,026	31,651
1872..	309,308	9,150	1877..	367,210	30,237
	\$956,635	\$16,829		\$1,160,751	\$100,709

Expended in Contingencies, &c., by Sir John Macdonald's Government in three years..... \$956,635

Expended in Contingencies, &c., by Mr. Mackenzie's Government in their first three years \$1,160,751
Increase..... \$204,116

The Mackenzie Government, in three ordinary years of power, spent **\$204,116** more in Contingencies, at Ottawa, than was spent by the Macdonald Government in three ordinary years of power, the increase being at the rate of **\$68,039** a year, and which is the interest, at 5 per cent., on **\$1,360,780**.

Of this increase \$83,880 was for Extra Clerks, being at the annual rate of..... **\$27,960**

Now, considering all that was alleged about the appointment of supernumeraries by Sir John Macdonald just before he went out of office, I think the facts disclosed in this statement are extraordinary. I stated in my place in Parliament that, so long as there were any supernumeraries on pay, no extra clerks should be appointed, and if there were no supernumeraries, what became of the charge against the late Government? We have heard nothing since about unnecessary appointments having been made by the late Government. We have evidence, in the statement I have read of waste, corrupt waste, because I fear the increased expenditure is owing to the unnecessary employment of favorites—the sons, nephews, and cousins of political supporters at the public expense. I called your attention a few minutes ago to the fact that I was very much blamed for having omitted the year 1873-4 from

my comparative statements. I think I can prove that I was right in doing so by no less important a witness than the Honorable George Brown. I should not have alluded to Mr. Brown's Senate speech if it had not been industriously circulated in this constituency under the following attractive heading:—

"Read and Hand to your Neighbor, Senator Brown's Speech in the Senate.

"Senator Macpherson's Fallacy and Misrepresentations Exposed."

My statements contained no fallacies or misrepresentations, so that Senator Brown found nothing of the kind to expose, but his own speech was full of errors and misrepresentations, and I shall proceed to expose the most culpable of them. Speaking in the Senate of the Contingencies, Mr. Brown said:—

"The hon. gentleman (Mr. Macpherson) then passed on to the item of 'Contingencies—and I wondered what he would say about it: for I had analysed this item for six years past—three of them under the reign of the late Ministry and three under the present, and I found that in the old reign the amount ran rapidly up every year, and in the new reign it ran as rapidly down. Here are the figures:

Tory Reign	.....	1871-2	.....	\$153,293
"	.....	1872-3	.....	189,174
"	.....	1873-4	.....	222,803
Reform Reign	.....	1874-5	.....	208,707
"	.....	1875-6	.....	172,548
"	.....	1876-7	.....	157,479"

Mr. Brown omitted altogether the Contingencies of the House of Commons. Now, the Government are just as much responsible for the Contingencies of the House of Commons as they are for the Contingencies of their departments. They are supreme in the Lower House. Therefore they are wholly responsible for the Contingencies of that House, and why Mr. Brown should have omitted that item I cannot understand. The effect of it was to conceal the amount from the public. I hope that was not Mr. Brown's object, but that was unquestionably the effect of his omission. Mr. Brown was guilty of great injustice in calling the year 1873-4 a year of the late Government. There could be no stronger evidence that I was correct in omitting that year from my comparisons than that Mr. Brown, in dragging it in, should have charged the late Government with the Contingencies for the whole of that year. Could anything be more unfair and absurd than to charge a Government which had been only four months of the year in office with the contingent expenses of the whole year? Their successors disbursed those Contingencies during eight months of the year, and yet Mr. Brown said that the late Government were responsible therefor. You know what Contingencies are—daily disbursements made at the discretion of ministers. I am amazed that Mr. Brown should have been guilty of such manifest injustice as to hold the late Government responsible for the daily contingent disbursements of his friends for eight months. In the following table Mr. Brown's erroneous and delusive figures are contrasted with the entries in the Public Accounts.

The year of the largest expenditure, 1873-74, was that in which Mr. Brown's

friends disbursed—lavishly disbursed—the Contingencies during eight months. I think I may assume that the retrenchment in 1876-7 was due to the attention that had been called to the wasteful expenditure of the Government.

**Contingencies and General Expenses of the Departments at Ottawa
and of the House of Commons.**

AS ERRONEOUSLY STATED BY HON. GEO. BROWN.		AS RECORDED IN PUBLIC ACCOUNTS.	
Tory Reign	..1871-2....\$153,293	1871-2.....	\$309,308
"	..1872-3.... 189,174	1872-3.....	345,001
"	..1873-4.... 222,803	1873-4.....	425,330
Reform Reign	..1874-5.... 208,707	1874-5.....	383,515
"	..1875-6.... 172,548	1875-6.....	410,026
"	..1876-7.... 157,479	1876-7.....	367,210

If there were time I would speak of the absurdity of talking about "Reform reign" and "Tory reign" in a matter of this kind. No one knows better than Mr. Brown does that such expressions are mere clap-trap, without significance in the politics of the country; that since the death of the late Robert Baldwin, the patriot who was driven broken-hearted from public life by the self-seeking wing of his party, the Reform party as a party had no share in the legislation of the country until Mr. Mackenzie's accession to office, except on the measure of Confederation, and that measure was jeopardized by Mr. Brown retiring from the Government in a huff before the foundations of Confederation were securely laid. The matter on which he resigned would have been unnoticed in the history of Canada except for Mr. Brown's resignation. All the legislation and all the reforms of the preceding twenty-five years had been carried by the Liberal-Conservative party. Many individual members of the Reform party bore a useful and honorable part. They joined Sir John Macdonald in perfecting useful legislation, until now, when the condition of the country is such that Mr. Blake taunts his own party with being "Reformers with nothing to reform."

And such really is the condition of the country to-day, If you will look at the legislation of the expiring Parliament you will scarcely find a measure of national importance. The Government have taken the extraordinary ground, and have asserted it in Parliament, that they have no control over the destinies of the country, no power to promote its prosperity. As the Minister of Finance put it, they are mere "flies on the wheel,"—(cheers and laughter)—with no more power to guide the destinies of this country than the fly has the power to guide the wheel on which it is but a powerless insect. (Laughter.) Gentlemen, this is not my simile, it is their own. It is a description of them by the Minister of Finance. It is a just one, however, for they have not done anything to benefit the country; they acknowledge their own inability, and the suffering industries of the country proclaim their incapacity.

INCREASED SALARIES OF CABINET MINISTERS.

The next statement which I come to is one which will surprise you as much, probably, as any that I have submitted—it is, the increase in the salaries of Cabinet Ministers themselves. You know how jealous they professed to be, when out of office, of the expenditure of every shilling of the people's money, and I shall now tell you how they have acted up to those professions where their own interests were concerned, when in office. In 1873 the salaries of the whole Civil Service were increased. The civil servants represented truly that the cost of living had increased enormously since the time when the salaries had been fixed, and that they were not able to live upon their salaries. Sir John Macdonald's Government resisted these petitions for years, but at last, in 1873, influenced by their justice, by an overflowing revenue, and by surpluses recurring year after year, the Government consented to increase the salaries. I may say there was no opposition to that act. The present Government, then in opposition, were as much in favor of it as the Government of the day. To show you that the matter was thoroughly discussed, and that it was as I say, Mr. Mackenzie, when the resolutions were before the House of Commons, moved an amendment to the effect that the salaries of the Cabinet should not exceed \$75,000, and that they should be graduated according to the responsibilities and duties of the offices. After debate, Mr. Mackenzie asked leave to withdraw his motion. It was withdrawn and the measure passed unanimously. Both parties were, therefore, equally responsible for it. The following is the statement:—

SALARIES OF CABINET MINISTERS.

Mr. Mackenzie's Administration:

The Prime Minister (Hon. Alex. Mackenzie) a year,	\$8,000 00
Do., for Sessional allowance.....	1,000 00
Twelve Cabinet Ministers at \$7,000 a year each.....	84,000 00
Do., Sessional allowance.....	12,000 00
	\$105,000 00
This amount for five years is.....	\$525,000 00

Sir John Macdonald's Administration:

The Prime Minister (Sir John A. Macdonald) a year,	\$5,000 00
Do., Sessional allowance.....	600 00
Twelve Cabinet Ministers at \$5,000 a year each.....	60,000 00
Do., Sessional allowance.....	7,200 00
	\$72,800 00
This amount for five years is.....	<u>\$364,000 00</u>

The Salaries of Mr. Mackenzie's Cabinet for the five years, from November, 1873, to November, 1878, will exceed the salaries of Sir John Macdonald's Cabinet for the five years next anterior to 1873, by the sum of..... **\$161,000 00**

The Increase for each year is \$32,200, which is the interest, at 5 per cent., on **\$644,000**, and 5 cents a bushel on **644,000** bushels of wheat.

I think it must surprise you to learn that Mr. Mackenzie and his colleagues, after all their professions of economy and retrenchment, and of deep consideration for the people's money, will have taken during five years ending on 7th November next \$161,000 more than Sir John Macdonald and his colleagues took during the five years anterior to 1873. (Sensation.) Then, too, the cost of living has declined very much. You know that everything you produce is very much cheaper than it was in 1873. A change that every man feels, I do not care what his position may be, has come over this country. An unaccountable, an incredible shrinkage in the values of all produce, commodities, and property has taken place since 1873. Notwithstanding this change, not a word was said in Parliament during the five sessions which have been held under the auspices of these professedly economical and pure patriots. They took their salaries without protest, yes, without murmur. (Cheers and laughter.) If they had not control over anything else, they certainly had over their own salaries; they need not have drawn the full legal amount, or they might have returned a portion, or they might have reduced them by Act of Parliament. Their excuse for every short-coming is: "We are bound by our predecessors; we are doing just what our predecessors did." They do not seem to be sensible that a change has come over the condition of the country. They are now, in a time of great and universal depression, administering public affairs with a prodigality that did not characterize their predecessors in times of great plenty and prosperity.

MR. BLAKE'S SALARY.

Mr. Blake when at Teeswater, boasting of the economy effected by him in his department, omitted to mention his own salary of \$7,000. It was a large sum to omit. The omission was serious; I hope it was unintentional. He understated the cost of his office by the amount of his own salary, (\$7,000.) Mr. Mackenzie draws \$8,000 a year for salary and \$1,000 for his sessional allowance, while Sir John Macdonald's salary anterior to 1873 was \$5,000, and sessional allowance \$600, making a difference between their emoluments of \$3,400 a year. Mr Blake drew \$7,000 a year as Minister of Justice, and, drew the same salary as President of the Council, an office which he himself had pronounced a sinecure. And in addition to his salary he received his sessional allowance of \$1,000.

A VOICE—And he was sick, too.

THE PREMIER'S SALARY.

Hon. Mr. MACPHERSON—Sir John Macdonald discharged the duties of Prime Minister and Minister of Justice at the same time, for \$2,400 a year less than Mr. Blake received as Minister of Justice or President of the Council, and \$3,400 a year, including sessional allowance, less than Mr. Mackenzie receives as Prime Minister and Minister of Public Works. In five years ending 7th November next, Mr. Mackenzie will have received of the people's money \$17,000 more than Sir John Macdonald received for five years anterior to

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1873, and yet these gentlemen have the shamelessness to speak of Sir John Macdonald's cab hire. It is truly contemptible. Mr. Blake mentioned it at Teeswater, and it has been taken up by Ministerialists and by the Ministerial Press with so much warmth and zest that, having regard to "the eternal fitness of things," they may yet make it their question of National Policy, the question on which they will appeal to the people for a renewal of their confidence.

I find in the leading organ of the Government in Montreal, a long article, headed "A remarkable political statement." Well, what do you think this remarkable statement is which is brought solemnly before the country at this time of general and extreme depression, when a cry is going up from the people for legislation which will lead to a revival of their drooping industries? It is a statement reported to have been made by Mr. Ross, M.P. for West Middlesex, upon the cab hire of some of the departments of the late Government in 1872-3, compared with similar charges in 1876-7. Mr. Ross says the cab hire of the Department of Justice in 1872-3 was \$1,035. I can only find \$456 charged in the Public Accounts. It does not seem possible that one in Mr. Ross' position would intentionally mis-state the amount of Sir John Macdonald's cab-hire, and represent it as more than twice as much as it really was. I hope, for Mr. Ross's sake, there are items in the Public Accounts which I have failed to find. It would be base indeed of Mr. Ross to mis-state this item. The following table shows the amounts stated by Mr. Ross, and those found in the Public Accounts:—

CAB HIRE CHARGED IN 1872-3.		CAB HIRE CHARGED IN 1876-7.	
<i>According to Mr. Ross, as reported in Montreal Herald, June 18th, 1877.</i>	<i>As in Public Accounts.</i>	<i>As in Montreal Herald, June 18th, 1877.</i>	<i>As in Public Accounts.</i>
Privy Council \$ 107	\$107	\$50	\$51
Department of Justice. 1,053	456	14	14
Militia 187	188	.....	....
Finance 335	335	.....	....
Inland Revenue 115	113	47	47
Customs 472	337	.....	....
	<u>\$2,249</u>	<u>\$111</u>	<u>\$112</u>
	\$1,536		

I find other items charged in Public Accounts under head of "Contingencies Civil Government," for Cab Hire, Petty Cash, and for Contingent Expenses, of which no details are given. For the years 1873, 1875, 1876, 1877, they were as follows:

	1873.	1875.	1876.	1877.
Cab Hire	\$1,938	\$ 510	\$ 673	\$ 839
Contingencies, including				
Petty Cash	3,858	5,782	5,417	4,711
Totals	<u>\$5,796</u>	<u>\$6,292</u>	<u>\$6,090</u>	<u>\$5,550</u>

For 1876-7, the year referred to by Mr. Ross, these items were only \$246 less than in 1873, and for 1875 and 1876 they were considerably more than in 1873. I mention this not because of the importance of the amount, for it is comparatively insignificant, but on account of the error or misstatement involved. On the whole it looks as if the "remarkable political statement" might have to be rewritten.

The next statement I come to shows the

EXPENDITURE FOR ADMINISTRATION OF JUSTICE.

1873.	1875.	1876.	1877.
\$398,966	\$497,405	\$544,091	\$565,597
Increased annual cost of Administration of Justice under Mr. Mackenzie's Government			
			\$166,631
This Annual Increase of \$166,631, is the interest, at 5 per cent., on.....			
			\$3,332,620

Before commenting upon this statement, I will read a few words from Mr. Blake's reply the other day to the deputation from South Bruce who requested him to allow his name to be used as a candidate. Mr. Blake gave Mr. Mackenzie a character in the following words:—

"Our leader, the Prime Minister of Canada, * * * whose known accuracy of statement is such as to render any announcement he makes one to be relied upon."

Mr. Blake is known to be a master of sarcasm. (Cheers and laughter.)

I shall now read to you what Mr. Mackenzie said about the Court of Appeal for Ontario. I find it in the report of his speech at Lindsay, published in the *Globe* of May 30th:—

"So with regard to the administration of justice, they say, 'How was this cost increased?' It was increased, in the first place, the year that we came into office by the establishment of a new Court of Appeal in the Province of Ontario, which necessitates an expenditure of about \$21,000 every year. The late Government had paid the first instalment, or the first quarter's salaries, before they went out, but we have had the annual charge upon us ever since of \$21,000."

Now, could there be the least doubt in the mind of any one who heard those words, that the Judges of the Court of Appeal had been appointed by the late Government, and that that Government had paid the first quarter's salaries of those Judges? (Hear, hear.) The words do not admit of two meanings, and yet what are the facts? Mr. Mackenzie's Government came into office on the 7th November, 1873. The new Court of Appeal for Ontario was not then in existence. It was created by the Legislature of Ontario; and the Act establishing it became law on the 24th March, 1874, four months and a half after Mr. Mackenzie's Government succeeded to office; the Act authorizing the appointment of the Judges and the payment of their salaries was passed by the Dominion Parliament in the session of 1874, at the instance of Mr. Mackenzie's Government; the Judges were appointed in May, 1874 by Mr. Mackenzie, and their salaries from the day of their appointment were paid by Mr. Mackenzie's Government. (Cheers.) Now, how is Mr.

Mackenzie's marvellous mis-statement to be explained? And yet Mr. Blake says Mr. Mackenzie's accuracy is so great that his statements can always be relied upon. After this I think we should not be told again of the responsibility of the late Government for the whole of the expenditure of 1873-74. Truth and decency forbid it. (Renewed cheering.)

THE COURT OF APPEAL

for Ontario is a costly court, and the \$21,000 a year which appears in the Public Accounts is the smallest part of what it costs the people. The former Court of Appeal was one which cost the country next to nothing, and so satisfactory were its decisions that very few cases were carried to the Judicial Committee of the Privy Council in England. The position of Ontario is peculiar and exceptional among all the colonies. I believe no judgment of the old Court of Appeal was reversed by the Judicial Committee of the Privy Council, and the entire people of the Province were satisfied with the decisions of the old Court of Appeal. The Supreme Court was created by the Dominion Parliament at its first session under Mr. Mackenzie. Cases are carried from the Superior Courts to the Court of Appeal, and from it to the Supreme Court. No lawyer will be content to let his case rest until it goes through all the courts, and the cost to the suitor will be enormous. I am within the truth when I say that the Legislation of the present Reform *régimes* in Ontario and in the Dominion have increased the law costs to the suitor more than fifty per cent., altogether apart from the enormous sum of \$565,597 paid by the public for the administration of justice. If these are reforms I confess I do not admire them. In the Judicial Committee of the Privy Council we had for our Court of Last Resort the most learned Tribunal in the English-speaking world, and it was maintained without cost to us. Whereas our own Supreme Court costs the country upwards of \$53,000 a year.

The legislation under the Reform Governments has been highly favorable to the lawyers. Costs have been greatly increased, and a large amount of business has been distributed. When leading barristers are made judges their business is divided among the practising lawyers. The Reform *régime* has been a glorious one for the members of the legal profession.

THE POST OFFICE DEPARTMENT.

There is no Department, I am persuaded, in which there is more room for reform and economy than in the Post Office.

POST OFFICE.

	Total Revenue.		Cost of Collection.		Yearly Loss.
1873.....	\$ 833,657	....	\$1,067,866	....	\$234,209
1877.....	1,114,945	....	1,705,311	....	590,366
Increased Revenue in 1877 over 1873.....					\$281,288
Increased Cost of Collection in 1877 over 1873.....					637,445

Increased loss in 1877 over 1873 **\$356,157**

To collect \$1.00 in postage cost \$1.28 in 1873, and \$1.53 in 1877.

CUSTOMS AND EXCISE.

The extravagant, and, I fear I must add, the corrupt expenditure in the Customs is perfectly alarming. It is impossible to account for it except on the presumption of favoritism, which is but another word for corruption. You will agree with me when you hear the following statements :—

CUSTOMS.

Year.	Total Revenue.	Total Cost of Collection.	Percentage Cost of Collection.
1873	\$12,954,164	\$567,765	4.38
1875	15,351,011	682,673	4.45
1876	12,823,837	721,008	5.62
1877	12,546,987	721,604	5.75

Decrease of Revenue from Customs in 1877 compared with 1873..... \$407,177

Increased Cost of Collecting the Revenue from Customs in 1877 over 1873..... 153,929

If the Revenue had been collected as economically in 1877 as in 1873, the saving to the country in 1877 would have been..... \$172,046

AT MONTREAL CUSTOM HOUSE.

Year.	Total Revenue.	Cost of Collection.	Percentage Cost of Collection.
1873	\$5,011,154	\$87,733	1.75
1877	3,865,410	117,989	3.08

Decrease of Revenue in 1877 compared with 1873..... \$1,145,744

Increased Cost of Collecting the Revenue in 1877 over 1873..... 30,256

If the Revenue at Montreal had been collected as economically in 1877 as in 1873, the saving to the country in 1877 would have been, at that Custom House alone \$50,352

The Revenue from Customs at Montreal in 1876 fell off \$1,570,416 and the cost of collecting it was increased \$17,452. Among the new items are wages to extra clerks, extra lockers, and extra services at Examining Warehouse—extraordinary additions to the charge for collecting a diminished and declining Revenue.

AT NEW BRUNSWICK CUSTOM HOUSES:

Year.	Total Revenue.	Cost of Collection.	Percentage Cost of Collection.
1873	\$1,246,238	\$73,353	5.80
1877	1,091,018	96,171	8.90

Decrease of Revenue in 1877 compared with 1873..... \$155,220

Increased Cost of Collecting the Revenue in 1877 over 1873..... 22,818

If the Revenue in New Brunswick had been collected as economically in 1877 as in 1873, the saving to the country in 1877 would have been, in that Province \$32,893

The per centage rate of cost of collecting the Customs Revenue in the United Kingdom for the year ending 31st March, 1876, was \$3.37 (£3 7s. 6d.) per cent. The average cost for ten years from 1867 to 1876 was only \$3.38 (£3 7s. 9d.) per cent., although the many ports round the coast must make the collection and protection of the revenue exceptionally costly. The Customs Revenue of the United Kingdom for the year ended on 31st March, 1876, was \$118,115,000 (£23,623,003) (including £3,266,534 collected on behalf of the Inland Revenue), and the average amount for ten years from 1867 to 1876 was \$118,138,085 (£23,607,617).

There cannot be stronger evidence of extravagance and corruption than I have submitted in this statement. In New Brunswick the increased cost of collecting the revenue would be incredible were it not shown in the Public Accounts. I think our friends down in New Brunswick must think that the Ontario milch cow, as this Province has been called, gives a large quantity of milk and a good deal of cream also. (Cheers and laughter). Since Confederation, of course, everything from the other Provinces of the Dominion enters New Brunswick duty free, which accounts in a measure for the revenue not increasing. Before Confederation New Brunswick had to watch her coast from smuggling from Nova Scotia, Prince Edward Island, and Canada, as well as from the United States, making the cost of protecting the revenue much greater than it should be now.

EXCISE.

	Total Revenue.	Cost of Collection.	Percentage Cost of Collection.
1873.....	\$4,460,681	\$171,704	3.80
1875.....	5,069,687	199,253	3.90
1876.....	5,563,487	218,359	3.90
1877.....	4,941,897	211,157	4.28

Increased cost of collection, 1877 over 1873.. **\$39,453**

Increase of Revenue, 1877, over 1873.....\$481,216

If the Excise Revenue had been collected in 1877 as economically as in 1873, the saving in 1877 would have been..... **\$23,361**

THE COST OF IMMIGRATION.

I now come to the only statement of mine which has been seriously questioned—the cost of immigration. It is as follows :—

Immigration and Quarantine for 1873, 1875, 1876, and 1877.

ITEMS.	1873.	1875.	1876.	1877.
Total expenditure	\$277,368	\$302,770	\$385,845	\$353,951
Quarantine items.....	11,871	13,768	12,233	44,598
				309,353
Transport of Mennonites.....			38,761	20,237
Loan to do.			57,670	79,700
			96,431	99,937
Total number of Immigrants by the St. Lawrence route for 1873....	36,901			
Total number of Immigrants by the St. Lawrence route for 1875....		16,038		
Total number of Immigrants by the St. Lawrence route for 1876....			10,901	
Total number of Immigrants by the St. Lawrence route for 1877....				7,743
Cost per head in 1873.....	\$7 76			
Cost per head in 1875.....		\$18 90		
Cost per head in 1876.....			*\$26 55	
Cost per head in 1877.....				\$27 04

When the cost of Quarantine in 1877 and the amount advanced to Mennonites are deducted from the total expenditure of 1877 there remains \$209,415 to be divided over the 6,785 Immigrants who landed at the Ports of the Dominion and at Portland, intending to settle in Canada, making the *per capita* cost **\$30.88**.

To the above expenditure should be added a large share of the salaries and contingencies of the Department of Agriculture and Immigration, at Ottawa. They were as follows: For 1873, \$44,063; for 1875, \$48,733; for 1876, \$49,455; and for 1877, \$45,080.

* The cost per head is based on expenditure, less the amount paid to the Mennonites. Adding cost of *transport* of Mennonites, but excluding the loan to them, the cost *per head* of all immigrants for 1876 was Thirty Dollars and Ten Cents, and for 1877 was Twenty-nine Dollars and Sixty Cents.

Ordinary quarantine is a part of the immigration charges, but in last year's accounts there is an item of \$21,733 for small-pox quarantine at Keewatin, and so I struck out the whole sum charged for quarantine for that year. I take as the basis of my *per capita* division the number of immigrants who came by way of the St. Lawrence, Halifax, St. John, and Portland. I maintain that they are the only immigrants who have been induced to come to this country by our agents in Europe, and therefore the only ones we can regard as compensating us for our expenditure. Consequently our expenditure must be divided among them to ascertain the cost per head. The only question that can arise with respect to this statement is as to the basis upon which it is made. I have taken, as I tell you and as I stated in Parliament, the arrivals at Dominion ports and at Portland. The Government, finding the expenditure enormous and unjustifiable, took the extraordinary ground that all persons coming into this country, no matter from where or under what circumstances, should be included in the *per capita* division, and claimed that twelve thousand and odd persons who came in by the Suspension Bridge and reported themselves at the Custom-house with settlers' effects should be considered as immigrants. I contend that that is perfectly absurd. These people came to seek employment on the Welland Canal and other works, and by reporting themselves as settlers they were allowed to bring in their effects duty free, but they cannot be regarded as immigrants. They are not of the class to induce whom to come to this country we maintain an expensive establishment. (Cheers.) I think you will agree with me that my basis is correct. I do not think the people will say that a Department costing about \$400,000, including the cost of the Department at Ottawa, should be maintained to encourage people to come from the State of New York to seek employment here, and unless they do so, my basis is correct. (Cheers.) The department should be called

THE ANTI-IMMIGRATION DEPARTMENT.

In 1875, when Mr. Mackenzie was in England, Mr. Jenkins, the Agent-General, issued a circular which was printed all over Europe declaring there was no opening in Canada for any immigrants except farm-laborers. In a letter written by Mr. Mowat last winter to Senator Skead of Ottawa the following appeared :—

“Immediately after my return from Ottawa, I caused enquiries to be made on the subject of employment for farm-laborers. As I stated to the deputation at Ottawa, the demand for this class has hitherto exceeded the supply, but I am sorry to find that *this year the case is otherwise*, and it is doubtful, indeed, if work could be found here for the unemployed at Ottawa, who may be suited to farm-labor.”

This shuts the door of Canada against all immigrants. The Agent-General closed it against all but farm-laborers, and Mr. Mowat has now closed it against that class. Why are we paying \$400,000 a year to maintain

a useless department? I leave it to you to say whether you approve of it or not. (Applause.) The immigration agents of other countries are unfortunately proclaiming to the world that there is no opening in Canada for immigrants, and are doing so without expense to us.

MR. BROWN IN ERROR AGAIN.

Mr. Brown questioned the accuracy of my Immigration statement, and he submitted one taken from what he called official returns. He said :—

“ And first as to the annual nett expenditure for emigration :—

According to Mr. Macpherson.	According to Official Return.
1872-3.....\$277,368	.....\$296,617
1874-5.....302,770	.....241,600
1875-6.....385,845	.....228,077
1876-7.....	.....110,670

And now as to the cost *per capita* :—

According to Mr. Macpherson.	According to Official Return.
1872-3.....\$ 7 76	.....\$5 90
1874-5.....18 90	.....8 82
1875-6.....26 65	.....8 85
1876-7.....	.....4 08”

Where Mr. Brown found his “official return” I cannot discover. It is not in the Public Accounts, and I do not find it in the report of the Minister of Agriculture. It was a bogus return, and the correct figures are those which I gave. The amounts I stated for 1877 are exclusive of quarantine and of the large sums expended in the department at Ottawa. In the Public Accounts the amount charged as the total “expenditure on account of Immigration” for 1877 is \$229,652, being \$20,237.33 more than I have divided *per capita*. Mr. Brown calls the *per capita* cost \$4.08, upon an expenditure of about \$250,000 (including the department at Ottawa); this would give 61,274 immigrants. Do you know where they are? Are they in this country? No, and every one except Mr. Brown and the members of the Government knows that they did not come to the country. Is this not proof that my estimate of the cost is correct, and that that of the Minister of Agriculture and of Mr. Brown is inaccurate, delusive, and absurd?

THE COST OF TELEGRAPHING.

I will submit to you now the charges for telegraphing. Mr. Blake, at Teeswater, gave the cost of telegraphing in his own department, and said there was a very large reduction. That induced me to look into the figures, and I showed in the Senate that in 1874-5, the first complete year of the Mackenzie Government, the expenditure for telegraphing, according to the Public Ac-

counts, amounted to \$38,507.62, against \$24,875 for the last complete year of Sir John Macdonald's Government.

Mr. BROWN said :—

"Well, this did appear to me a very large sum, and so I dropped into the Finance Department, and asked an explanation of it from one of the officers of the Department. He went at once and looked into the matter, and I am sure the hon. gentleman will be relieved and delighted when he hears the explanation. Of course he has no desire to prefer unfounded charges against the Administration, and he will be rejoiced to find that he can conscientiously withdraw that frightful castigation he gave them for that \$38,000 of telegraphing. It turns out that in 1873-4 there were only three-fourths of the year's telegraphing included, and that in 1874-5 there were five quarters charged. It so happened that the quarterly bill of the Telegraph Company was delayed so long, that the Government accounts for the year were closed before it could be certified, and it had, of course, to go to the next year's account. The effect of this correction of the hon. gentleman's figures entirely changes the aspect of the telegraphic complaint, and I call the hon. gentleman's attention to the great economy effected by the present Ministry on the lavish disbursements of his own friends. The contrast now stands as follows :

1873-4.....	\$32,107
1874-5.....	19,326
1875-6.....	19,421
1876-7.....	15,255."

This statement is grossly inaccurate and audaciously misleading. Mr. Brown charges the late Government with the whole of the telegraph bill of their successors for eight months of 1873-4. Every one will see the scandalous injustice of this. Here are men held responsible for the telegraph bills of their successors. Surely they were no more responsible for the cost of transmitting than they were for the contents of those messages ! (Applause.) Since the close of the session I have looked thoroughly into this telegraph expenditure, and I find it was very much more than Mr. Brown stated, and more than I stated. When Mr. Brown went to the Finance Department to ascertain the correct expenditure for telegraphing he should have been careful to have got the accurate amount, and it is difficult to understand how an inaccurate amount could have been honestly given to him. Mr. Brown should have remembered that he had described the chief official in the Finance Department as "a mixer and muddler of figures," and certainly a very "muddled" statement of the cost of the Government telegraphing was given to Mr. Brown and by him given to the public. The expenditure under this head has been as follows :

Items Charged in Public Accounts for Telegraphing.

DEPARTMENT.	1872.	1873.	1874.	1875.	1876.	1877.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Governor-General	2,865 24	2,039 57	2,942 85	3,876 93	3,004 17	2,842 61
Privy Council	747 66	330 33	523 03	957 50	358 93	220 95
Secretary of State	778 22	2,256 03	846 60	725 08	791 60	458 03
Do			374 83	1,326 57	1,588 27	1,647 87
Interior	528 96	539 16	1,721 44	2,288 88	1,154 84	753 14
Do			879 49	442 26	270 73	443 75
Justice	2,538 84	4,371 88	2,929 58	5,399 94	1,164 67	500 37
Militia and Defence	1,351 64	1 039 27	1,095 15	1,909 62	653 78	446 90
Do	1,332 61	1,529 61	863 61	690 49	210 50	
Do		323 19	843 20	754 51	113 10	
Finance	1,686 81	2,655 42	2,062 71	3,009 43	1,977 83	1,926 62
Public Works	1,967 49	2,479 96	3,281 20	4,151 20	2,344 60	1,719 39
Do charged to Capital			4 50	310 18	2,688 19	1,984 86
Do Subsidy, Anglo-American Co.					1,946 66	
Marine and Fisheries	1,706 56	2,635 76	1,488 76	2,165 62	2,002 18	1,178 46
Do	36 28					
Receiver-General	200 61	242 86	414 75	1,127 37	698 38	244 34
Customs	2,164 65	2,392 09	1,604 57	6,277 24	1,695 88	2,241 31
Do				87 50		
Ocean and River Service	184 41					
Inland Revenue	589 72	1,193 03	478 67	1,908 43	583 92	709 13
Lighthouses	4 31					
Agriculture, Arts, &c.	687 05	1,196 79	632 33	870 64	994 66	614 33
Do, Immigration and Quarantine						50 10
Do &c.				614 23	732 09	
Do						271 34
Census	268 57					
Post Office	1,100 82	1,082 29	839 71	1,583 16	1,256 56	1,018 47
North-West Territories	290 12	2,074 30			802 52	954 77
General Departments & Miscellaneous	267 62	40 00	36 57	1,146 81		1,248 34
	21,298 19	28,421 84	23,862 55	41,623 59	27,034 06	21,475 08

And if Mr. Brown were correct in saying that the expenditure of three quarters only of the year 1873-4 was charged in that year and five quarters in 1874-5, the amounts should stand \$31,916 for 1873-4 and \$33,669 for 1874-5. The discovery of this error shows how easily the entry of a portion of the expenditure of one year may be postponed and made to appear in the Public Accounts of the succeeding year. Mr. Brown waxed very indignant with me for suggesting that such a "cooking" of accounts was possible. He himself proved that it was not only possible but that it had occurred.

I see the departments, especially the Public Works Department, have got into the way of dividing their telegraph accounts and putting them under sub-heads, thus making the departmental expenditure appear smaller than it had been. I saw that Mr. Mackenzie had stated that among the retrenchments

effected by him was the item for telegraphing. I do not find proof of this in the Public Accounts. On the contrary, I find the expenditure increased and items actually charged to capital account. I suppose he would say that telegraphing in connection with the Pacific Railway and other works paid for out of capital might be charged to capital. It was never done before, and when Mr. Mackenzie thought proper to introduce a new system, he should have explained that items were hid away in an unusual manner. Instead of a reduction as claimed by Mr. Mackenzie the expenditure for telegraphing in his own Department has been largely increased, and yet Mr. Blake says Mr. Mackenzie's known accuracy of statement is such as to render any announcement he makes one to be relied upon.

PACIFIC RAILWAY.

I now come to a very important statement, which is as follows:—

Total Expenditure on Pacific Railway as per Public Accounts,	
to 30th June, 1877	\$ 7,975,578
Estimates voted for the financial year ending on 30th June, 1878	1,814,000
Supplementary Estimates voted for the financial year ending	
on 30th June, 1878	823,900
Total Expenditure to 30th June, 1878, may be assumed at	\$10,613,478
Estimates voted for this work for the year 1878-79	2,949,700

Total amount voted by Parliament..... \$13,563,178

Two sections of this Railway are being constructed—one of 114 miles running westwards from Lake Superior to a point in the wilderness known as English River, and one of 114 miles running eastward from the Red River to another point in the wilderness known as Rat Portage, the crossing of the Winnipeg River. Between these two ends or sections lies an intermediate section of 180 miles, which has not yet been placed under contract. Until it is built and until by means of it the two ends are connected the whole will be utterly useless—there will be no way traffic between Lake Superior and the Red River. The Government do not propose, so far as is known, to have the middle section of 180 miles completed in less than five years. By that time the end sections—much wood being used in their construction—will be far advanced in decay.

Notwithstanding the large expenditure of **\$10,613,478** upon the Canadian Pacific Railway, not one mile of it is open for traffic, nor likely to be so, for practical use, for five years or more, except the Pembina Branch.

Interest will be fairly chargeable on the outlay upon the two ends of the Lake Superior section, from the date of their completion until they are connected, which they are not likely to be in less than five years.

Interest for five years at 5 per cent. per annum on the Government estimate of cost, \$5,750,000 will amount to.... **\$862,500**

I contend that when the Government decided upon building an all-rail line from Lake Superior to the Red River, they should have begun at Lake

Superior and built westward, taking the rails and other material with them as they advanced. Instead of doing so, they are building at both ends, and leaving a gap of 180 miles in the middle, which is not yet under contract, and which the Government, as late as last session, did not seem to have made up their minds what to do with. They spoke of trying to get a company to take the Lake Superior division. They spoke also, in the event of their failing to get a company, of going on with it as a public work, and they took a small vote to enable them to do so. The country between Thunder Bay and Manitoba is a barren, howling wilderness, which will never furnish any local traffic for the railroad, except some lumber. Of course, there will be through traffic for it when it is completed, but until then it will be useless. The Government originally intended to have built that line by a route which would have allowed the use of what Mr. Mackenzie called "the magnificent water stretches." They intended to have gone by rail from Lake Superior to Sturgeon Falls, which is on an arm of Rainy Lake, and thence by water to Rat Portage, a distance of about 180 miles, and thence by rail to Selkirk, on the Red River. When that was their scheme, they commenced constructing the Fort Frances Lock. That Lock was intended to overcome the principal obstruction to the navigation between Sturgeon Falls and Rat Portage. Unless that route were adhered to, Fort Frances Lock was not required. The Government went on with its construction, notwithstanding that they had changed the line of the railway, and located it where the water stretches could not be used in connection with it. The moment they adopted the northern route the Fort Frances Lock became entirely useless, but the Government did not stop its construction, and it is to be finished this year. I asked for a Committee of the Senate to enquire into the matter. One was appointed, and the information was elicited which I have submitted to you. The report of the Committee declaring the work useless was adopted by the Senate.

ANOTHER "WATER STRETCHES" POLICY.

One of the witnesses before that Committee, Mr. Sutherland, the superintendent of the construction of the lock, propounded a scheme for utilizing the water stretches. He proposed to carry freight in small cars which could be ferried by steamers across the lakes, and run from lake to lake on tramways, over nine portages, which he proposed to reduce to six, between Port Savanne and Rat Portage. Mr. Sutherland estimated the cost of the improvements necessary to adapt the route to transporting forty tons a day at \$150,000. Mr. Mortimer, the engineer who surveyed the route for the Government said the improvements necessary to enable ten tons a day to be transported over the route would cost \$350,000. I do not care what is expended upon it, the scheme is not practicable, and I will tell you why. The lakes on the route do not open till 25th May and close early in October, about a month after harvest in Manitoba. Forty tons of wheat per day would be less than 1,500 bushels, and the two ends of the railway would get no more freight to carry

than could be carried over the portages. Forty tons a day would only load one train of 24 cars a week, so that the freight of one train a week on each end of the route, would be the utmost capacity of the connecting link. The season of navigation on the water stretches lasts only 120 days, and during thirty of these in the Fall, after harvest, 45,000 bushels of wheat of the crop of Manitoba could be moved! No passengers would go by the route. They would go *viâ* Duluth. The expense of carrying freight would be greater than by the Northern Pacific Railway from Duluth, so that the freight would go by Duluth. But suppose wheat could be conveyed from Manitoba to Thunder Bay by the water stretches and the Canadian Pacific Railway at the rate of 1,500 bushels a day for a month, the whole quantity, 45,000, would not be enough to load one schooner of the size of the locks of the enlarged Welland Canal. I think I have said enough to condemn and ridicule the scheme. (Applause.) Mr. Mackenzie, speaking of the Pacific Railway at Lindsay the other day, said:—

"Now, Sir, what is the case? We have not attempted to carry out an impossible bargain, (the arrangement with British Columbia.) We said at once it was an impossible bargain, and we entered upon negotiations with a view to the reduction of the terms of the engagement, but we did not hesitate to proceed with the initial parts of the undertaking which were peculiarly essential to the progress of the country. We have to look to those far western countries—those vast fertile plains designated by Mr. Butler as 'The Great Lone Land'—as a land where our children are to find homes for themselves in the future; where we are to direct a vast immigration from the old countries of Europe; whence we are to supply the manufacturers of Ontario and the Eastern Provinces with much of what they are to consume in the future; while the other Provinces send their goods to the west; and we have, without any extraordinary effort, already nearly completed one-half of the distance between Lake Superior and Red River in the construction of that Railway. (Cheers.) We have constructed the road in every respect—except as to bridges, and there are not many on the line—equal to the Intercolonial, and we will manage, by a wise system of contracts and an upright system of management, to build it at a cost scarcely more than half that of the Intercolonial. (Cheers.) I give these as results of the system of administration which was initiated by the present Government."

Would you not suppose from Mr. Mackenzie's words that he was building a continuous line? What he says is sadly misleading but not strictly inaccurate, because about one-half is being constructed, but it is in the way I have described to you, leaving an intermediate section of 180 miles untouched, the two ends of the line remaining unconnected. The Canadian Pacific Railway ought to have been a work of very great advantage to this country, but from the way in which it is being carried out it is involving this country in very serious peril. A recent English writer says:—

"As things are, the line will be in ruins probably within five years of the date of its completion, and it may yet be the instrument which will rend the Dominion asunder."

I have told you about the Fort Frances Lock; you know as much about

the Kaministiquia terminus and the Neebing Hotel as I do, and I shall not detain you by saying anything concerning them, except that both transactions are disgraceful to the Government. (Cheers.)

You may understand what Mr. Mackenzie meant by the following bit of grandiloquence. I confess I do not :

" We have to look to those far western countries—those vast fertile plains " designated by Mr. Butler as 'The Great Lone Land'—as a land where our " children are to find homes for themselves in the future ; where we are to " direct a vast immigration from the old countries of Europe ; whence we " are to supply the manufacturers of Ontario and the Eastern Provinces with " much of what they are to consume in the future ; while the other Provinces " send their goods to the west."

Mr. Mackenzie's mode of inaugurating his great scheme of immigration is remarkable. He and Mr. Mowat together have closed Canada against all immigrants.

THE STEEL RAILS.

I next come to the steel rails. They were purchased years before they were wanted. It was not necessary to have imported any of them before last year, and had the purchase been delayed until then, they could have been bought for one-half the money they have cost the country. Mr. Mackenzie, speaking at Lindsay last month, said :

" A good deal was said a little while ago by some gentleman near me " about steel rails, and nothing rejoices me more than to hear some of our " good Conservative friends foolish enough to bring that subject up."

Can you believe that Mr. Mackenzie was sincere ? He proceeded to state that he had bought steel rails last year for £7 13s. which is \$37.58 per ton. The price paid for the 50,000 tons of steel rails was \$54 a ton, and the extra charges, interest, extra wharfage, storage and handling must have brought the present cost up to \$76 at least, and now they are old rails. I prove, therefore, out of Mr. Mackenzie's own lips that he could have bought steel rails for the Pacific Railway as early as they were required at one-half the price he made the country pay for them. Mr. Mackenzie's condemnation of himself for this transaction was complete, yet he said "he rejoices when a Conservative is foolish enough to bring that subject up." I ask again, do you believe Mr. Mackenzie was sincere when he spoke those words ? Mr. Mackenzie went on and said :—

" Let me give you a few more figures. When we came into office we found " that they (our predecessors) were paying on the average for coal \$3.73 ; we " are now paying \$1.77½. They were paying out at that time for ordinary " bar iron \$4.32 ; we are now paying \$1.80. They were paying for cut nails " on the average \$5.32 per keg ; we are paying \$2.80 ; for clout nails \$15 per " keg, we are paying \$7, etc."

Mr. Mackenzie does not say anything about the fall in markets which had

taken place. He does not say the late Government paid more than the market price, or that they bought before the rails and other materials were needed—to the country's loss. He almost takes credit to his Government for the fall in markets. A more illogical statement than his could not have been made. The chief charge made against Mr. Mackenzie is that he bought the rails before they were required; and he proved at Lindsay that if he had waited until they were required, he could have bought at one half the price he paid for them. He further said, "It is a very much easier thing for our predecessors to show their capacity for shovelling out the public moneys in this wholesale fashion, than it is for us to be constantly quarrelling with contractors in order to get the work done at the lowest figures, and giving out nearly all our contracts to those who are our political opponents." It is certainly astounding that Mr. Mackenzie should speak of any one "shovelling out the public moneys," standing convicted as he does of an appallingly profligate waste of the people's money.

I don't know who the contractors are with whom Mr. Mackenzie has quarrelled,—certainly not Cooper, Fairman & Co., or Foster, of the Georgian Bay Branch, or Norris, or Neelon, or Hope, or the Red River Transportation Company, or Moore, of Goderich Harbor, or Carpenter, of the Dawson route, or Oliver, Davidson & Co., of Fort William Town Plot and Neebing Hotel notoriety, and also the contractors for building the Pacific Telegraph from Lake Superior westwards, or Mr. Jaffray, the grocer, of Toronto, or his contracting and purveying friends who hail from the County of Lambton.

HOW THE RAILS WERE PURCHASED.

Mr. Mackenzie further said:—"We purchased by open tender in the market all the rails we did purchase, while the late Administration purchased them by giving an order to a near relative of a Minister. * * * I wish to say further that everything that could be obtained by contract the present Government have obtained by contract."

This was an extraordinary statement for Mr. Mackenzie to make, and yet Mr. Blake said Mr. Mackenzie was so accurate that his statements were to be relied upon. There are several errors in his statement. So far from having purchased all the rails in open market, as Mr. Mackenzie said he had done, Cooper, Fairman & Co., who supplied 25,000 tons of steel rails, only tendered for from five to ten thousand tons, deliverable at Montreal and five to ten thousand tons deliverable at Duluth. The latter were not taken, yet Cooper, Fairman & Co. supplied 25,000 tons, of which 15,000 tons appear to have been without competition. They supplied 5,000 tons for Vancouver Island without competition, and not only that, but 5,000 tons

were taken from another firm also without competition at ten shillings per ton below Cooper, Fairman & Co.'s price, and it is difficult to see why that purchase was made, unless to get the cheaper rails out of the way of Cooper, Fairman & Co.

This same firm of Cooper, Fairman & Co. got the freighting of 5,000 tons of rails from Montreal to Duluth for which they did not tender at all, and were paid a higher rate than others tendered for the work. Mr. Samuel, of Montreal, who was the lowest bidder, was refused the contract, although he offered security for its performance, on the ground that he was not a steamboat owner, while Cooper, Fairman & Co., who were not steamboat owners and had not tendered, were invited to Ottawa to confer with Mr. Mackenzie on the subject of this transport, and were given the contract at a higher rate than was asked by Mr. Samuel, and in the month of June following the contract was increased by 5,000 tons at the same rate without competition, though freight is generally lower at that season than earlier in the spring. Yet Mr. Mackenzie says, "everything is put up to tender." I am surprised at Mr. Mackenzie speaking as he did about a purchase of rails by the late Administration, through a relative of one of its members. The Government was not guilty of any wrong-doing in that transaction as Mr. Mackenzie well knows. The agent wronged the public, but no member of the Government was compromised. Mr. Mackenzie should not have forgotten that his brother was a member of the firm of Cooper, Fairman & Co. I am very far from saying that that was a reason why they should not have got contracts from the Government, but it was a reason why they should not have got contracts unless they were the lowest bidders; it was a reason why Mr. Mackenzie should not have telegraphed them to Montreal to go to Ottawa to confer with him about a contract for which they had not tendered, and it was a reason why they should not have got that contract at a rate higher than another had tendered at. Cooper, Fairman & Co. got altogether upwards of \$1,500,000 of the public money, and so far as I can discover they only tendered for what amounted to about one-third of that sum. The rest—about \$1,000,000—they got by private arrangement. The Red River Transportation Co. received \$206,850 for transporting rails at rates which made the service cost \$45,000 more than it would have done had the lowest tender been accepted. The Hudson's Bay Co. for supplies, rents, &c., got about \$150,000; for that, I presume, there was no competition. A great deal of money has been expended in the North-West, much of it unnecessarily, for which there could have been no competition and no audit. I have never accused Mr. Mackenzie of personal corruption. I would not charge any Minister with that crime, unless there were the clearest proof of his guilt, but I will say this, that no man was ever more unfortunate in his friends and favorites and surroundings than Mr. Mackenzie. They seem to have been self-seeking, greedy, insatiable men. (Cheers.)

THE PROFIT AND LOSS ACCOUNT of the Government Steel Rails speculation
may be taken to stand about as follows, viz.:—

Cash paid in England for steel rails and fastenings.....	\$2,938,900
The same quantity could have been purchased, delivered in Canada in the Spring of 1877, for	1,800,000
Loss on first cost.....	<u>\$1,138,900</u>
Interest to 30th June, 1877, on ascertained payments.....	271,365
To this must be added the cost of 4,000 tons laid upon the Truro and Pictou Railway, a line that would not have been steeled had not the rails been on hand.....	235,120
(The Government has taken authority to transfer this Railway to Nova Scotia as a gift to a private Company.)	
Ascertained loss to 30th June, 1877.....	<u>\$1,645,385</u>
Interest is running on at the rate of about \$13,500 per month and is increasing—I estimate the further loss by interest before the rails are used at.....	\$419,169

FAVORITISM AND WASTE.

I will now submit a statement of loss upon

**Additional Items of Public Money Lost Through the Apparent
Favoritism of Mr. Mackenzie's Government, Brought to Light
Last Session.**

(Vide Page 678 Senate Debates.)

1. Loss on 5,187 tons steel rails bought without competition from Cooper, Fairman & Co., for which 10/ more per ton was paid than was paid at the same time to another house..	\$12,604
2. Loss on railway bolts and nuts, for which Cooper, Fairman & Co. were paid over the lowest bidder.....	1,365
3. Loss on transport of 10,000 tons of rails, for which \$2.04 per ton was paid to Cooper, Fairman & Co. on behalf of themselves and of Norris & Neelon, St. Catharines, and Hope & Co., Hamilton, over the lowest bidder.....	20,400
4. Loss on transport of 15,141 tons, for which \$3.30 per ton was paid to Red River Transportation Co. over the lowest bidder (\$49,965 U. S. currency)	44,969
5. Loss on Goderich Harbor contract	30,000
Loss on these Five Transactions	<u>\$109,338</u>

I will now read a statement of

The Revenue and Expenditure of each Financial Year since Confederation, was as follows :—

Year.	Expenditure.	Revenue.	Surplus.	Deficit.
	\$	\$	\$	\$
1867-8 ..	13,486,092	13,687,928	201,836	.....
1868-9 ..	14,038,084	14,379,174	341,090	.....
1869-70 ..	14,345,509	15,512,225	1,166,716	.....
1870-1 ..	15,623,081	19,335,560	3,712,479	.....
1871-2 ..	17,589,468	20,714,813	3,125,345	.....
1872-3 ..	19,174,647	20,813,469	1,638,822	.....
1873-4 ..	23,316,316	24,205,092	888,776	.....
1874-5 ..	23,713,071	24,648,715	935,644	.....
1875-6 ..	24,488,372	22,587,587	.....	1,900,785
1876-7 ..	*23,862,892	22,059,274	.....	†1,803,618
Total Surpluses from 1867-8 to 1875.....			\$12,010,708	
Total Deficits in 1876 and 1877.....				\$3,704,403

The item placed in the Interest and Renewals Suspense Account was for an expenditure actually made. Instead of charging it to the work as ought to have been done, it was entered in a Suspense Account. Anyone who understands book-keeping will know that that was a piece of "cooking." The late Government are constantly charged with having engaged in the construction of works which involved a large expenditure from revenue, but absolute silence is observed upon the fact that they had an overflowing revenue and a yearly surplus. Under such circumstances they were bound to go on with works required in the public interest. Even Mr. Brown, when he spoke in the Senate of the expenditure of the late Government, said :—

"The Macdonald Government was formed in 1867, and controlled the "public finances until the 30th June, 1874; let us see then how the annual "public expenditure increased in their hands. They were :

In 1867-8.....	\$13,486,092
In 1868-9.....	14,038,084
In 1869-70	14,315,509
In 1870-1.....	15,623,081
In 1871-2.....	17,589,468
In 1872-3.....	19,174,647
In 1873-4.....	23,316,316

"It will thus be seen, that in the four years from 1867-8 to 1870-1, the

* The item \$23,862,892 is made up as follows :—

Expenditure as in Public Accounts, official return.....	\$23,519,301
Add item of expenditure wrongly placed in Intercolonial Railway Suspense Account.....	343,591

Actual Expenditure, 1877

† This deficit is made up as follows :

Deficit admitted in Public Accounts	\$1,460,027
Add item wrongly placed in Suspense Account as above.....	343,591

Actual Deficit, 1877.....

“annual expenditure rose two millions of dollars; that in the succeeding two years it rose three millions and a half more; but that in the next succeeding year—that of 1873-4, which the hon. Senator (Mr. Macpherson) so indecently seeks to fasten on the present Government—the annual expenditure went up at one jump, the enormous additional sum of \$3,768,300.”

Examine the flagrant disingenuousness of Mr. Brown's statement. He only gave the expenditure. He said nothing about the revenue. He was silent about the millions of surpluses under the Macdonald Government, and silent about the millions of deficits under the Mackenzie Government. Mr. Brown concealed also the fact that Two Millions of taxes had been repealed by the Macdonald Government in 1871 and 1872. Why did not Mr. Brown carry his contrast of expenditure beyond 1873-4? Can it have been to conceal the fact that the expenditure under the Mackenzie Government was greater in every year for which we have the returns, down to 1876-7 than it was in 1873-4, and that too in the face of a declining revenue (except in 1874-5), in the face of two deficits amounting to nearly \$4,000,000? The correct figures will be found in my table. Mr. Brown charges me with “indecently seeking to fasten on the present Government the “increased annual expenditure of \$3,768,300.” Most of you have read my pamphlets. Mr. Brown has their contents at his finger-ends, and he knows that I only hold the present Government responsible for \$1,800,000 of the increased annual controllable expenditure that took place between 1873 and 1876. I have repeatedly stated this in Parliament, correcting Ministerial mis-statements on the subject. I defy Mr. Brown to show that I ever held the present Government responsible for an increase of \$3,768,300, or any sum larger than \$1,800,000 of the increase between 1873 and 1876. You will thus see that the indecency Mr. Brown speaks of lies at his own door, not at mine.

Why do Mr. Brown and the Ministers labor so hard and so dishonestly to gloss over the mal-administration, to conceal the extravagance and to misrepresent the expenditure of the Government? It cannot be done in the interest of the people. It must be done to promote some interest which is opposed to the people's interest.

The Finance Minister at Lindsay the other day was as unjust as Mr. Brown was to the late Government. The difference between the two Governments is just this—the Macdonald Government had cash in hand from revenue to pay for the works which they carried on, the Mackenzie Government, without cash in hand, have gone on spending money as if they had annual surpluses instead of annual deficits, and have plunged the country into debt. The Finance Minister overstated the expenditure from revenue in 1873-4, and unfairly charged the late Government therewith. He charged against the revenue of that year items amounting to \$1,273,907 expended upon undertakings which had theretofore been charged against capital, and which the present Government have since charged against capital or which were for exceptional purposes. He did so to make the expenditure from revenue of the late Government appear larger than it really was.

PUBLIC WORKS PAID FOR OUT OF REVENUE.

Another statement is persistently made by the gentlemen at present in office (and I think I saw that a Minister of the Crown stated it in the County of Bothwell the other day), that the present Government did not commence any new works to be paid for out of revenue, but only completed those which had been commenced by their predecessors. A list of works of this class *commenced after 1873* and the expenditure upon each, charged to revenue, will be found in my pamphlet of June, 1877, pages 41 to 45. The expenditure according to the Public Accounts was as follows :

Total amount expended in 1874 upon works not commenced in 1873.	\$327,552
Total amount expended in 1875 upon works not commenced in 1873.	203,546
Total amount expended in 1876 upon works not commenced in 1873.	556,596
Total amount expended in 1875 and 1876 upon works not commenced in 1874	621,669

The present Government is, of course, alone responsible for this expenditure, as they succeeded to office on 7th November, 1873.

I do not admit the plea which Ministers constantly put forth that their hands were tied by their predecessors, and that they were powerless. Do they mean to say that the Government of this country is not under the control of the Ministers of the day, and that they are not to be as prudent as ordinary individuals would be—that their expenditure is not to be governed by the revenue? The pretence is perfectly preposterous. If what they state is true, the Government of this country is like a runaway coach, and the Ministry simply throw down the reins and let the coach go to destruction—and we are going towards that goal very fast. (Cheers.) It is not the right to govern and control that is wanting in our Government, but it is the requisite skill and capacity that are wanting.

A CHALLENGE.

What I have stated to you touching the increased expenditure is taken from the Public Accounts. It is unseemly to have members of the Government and myself standing up before the public, the one denying what the other asserts. To put an end to these charges of misstatement and to stop recrimination, I am perfectly willing to leave the audit of my statements to gentlemen who are qualified for the work, and who are strictly non-partizan. I will name the General Manager of the Bank of Montreal, Mr. Angus; the General Manager of the Merchants' Bank, Mr. Hague; the General Manager of the Canada Life Insurance Co., Mr. Ramsay, and the General Manager of the Permanent Loan and Savings Company, Mr. Mason. I am willing to leave it to any two or three of those gentlemen to say whether my statements are correct or not. (Prolonged cheering.) If it were a matter of politics, those gentlemen would not act, but it is not. They would simply have to deal with matters of account, to see whether such of my statements as the Government may question are correctly taken from the Public Accounts. Two or three of my

statements are estimates, but all the others are from the Public Accounts. Unless the Government are willing to come before the tribunal I have suggested, and prove that my statements are incorrect, let them forever be silent upon the subject of inaccuracies so far as I am concerned, and unless they be silent, I hope that fair-minded people will not listen to them until they accept my challenge. (Renewed cheering).

CAPITAL EXPENDITURE.

I will now show you the amount of Capital Expenditure during each financial year since Confederation. The members of the Government and Mr. Brown name \$125,000,000 to \$130,000,000 as the amount of obligations which this Government had to face when they succeeded to office. The whole amount that has been spent on capital account, during the four years which they have been in office, is \$26,931,732. I had been curious to see how they would explain this \$125,000,000 to \$130,000,000 of obligations. Mr. Brown tried it in the Senate, and Mr. Cartwright followed him at Lindsay. The following is a statement of

Capital Expenditure for Each Financial Year Since Confederation.

Folio.	Year.	Canals and Miscellaneous Works.	Pacific Railway.	Intercolonial Railway.	North-West Territory.	TOTALS.
		\$	\$	\$	\$	\$
See pages XVI and XVII, Public Accounts 1877.	1867-68	524,126	.....	50,081	.....	574,208
	1868-69	325,127	.....	169,782	19,113	514,023
	1869-70	281,630	.....	1,567,586	1,821,887	3,671,104
	1870-71	.....	30,148	2,866,376	773,871	3,670,396
	1871-72	461,969	489,428	5,039,063	241,888	6,232,349
	1872-73	552,998	561,818	4,827,183	63,238	6,005,240
	1873-74	1,526,811	310,224	3,417,661	.....	5,254,698
	1874-75	2,731,482	1,546,241	2,645,460	.....	6,923,185
	1875-76	2,808,560	3,346,567	998,991	.....	7,154,118
	1876-77	4,904,524	1,691,149	1,004,057	.....	7,599,731
		14,117,231	17,975,578	22,586,245	2,920,000	47,599,055

Total Expenditure on Public Works since Confederation,
charged to Capital 47,599,055
Provincial Debts 20,452,340

Paid with borrowed money—proceeds of Loans 68,051,395
..... 57,480,053

Paid out of Surplus Revenue \$10,571,342

Of this sum of \$10,571,342, no less than **\$10,186,288** accrued under the Administration of Sir John Macdonald.

Mr. Brown in the Senate said,

“Sir John A. Macdonald’s Government pledged the credit of the country
“for public works to a vast amount; and left the burden of carrying them

" through as a legacy to their successors. Here is a list of engagements the
 " new Ministry found awaiting them when they came into power :—

Canals	\$43,800,000
Intercolonial Railway	10,000,000
Pacific Railway	30,000,000
N. S. and N. B. Railways	2,000,000
P. E. I. Railway	2,500,000
Minor works	4,500,000
Improvements, St. Lawrence	2,500,000
Advances	1,000,000

\$96,000,000

" In addition to these enormous undertakings, the new Ministry found \$35,
 " 000,000 of Public Debentures maturing immediately, for which no provision
 " whatever had been made by their predecessors."

Mr. Cartwright at Lindsay remarked :

" What have the Government done that they should be entrusted with a
 " new lease of power ? In reply to that he would say that, having faced a
 " series of entanglements such as no other Government in Canada had ever
 " confronted—(hear, hear)—having provided for engagements amounting to
 " over \$130,000,000 incurred by their predecessors, and having faced the
 " necessity of incurring enormous additional expenditure for interest on capital
 " sunk in works which these gentlemen had undertaken—having done this,
 " they had reduced the annual expenditure to a figure which did not exceed by
 " one dollar the amount they had found when they entered office, if they would
 " deduct the amount of their permanent investments as he had a right to ask
 " them to do."

In his Budget Speech of 1875, when speaking of the \$125,000,000 engagements, he said : " There were twenty-five or thirty millions of dollars, which,
 " for many reasons, it was desirable to pay off, if possible." What do you
 suppose this "paying off" meant ? Simply renewing loans at a lower rate of
 interest. (Laughter.) Suppose any one of you owed a \$500 note at a bank
 here and got it renewed or borrowed \$500 at another bank to meet it—what
 would be thought of you if you were to go swaggering about the streets
 boasting that you had paid it off, while you had only renewed it ? (Cheers.)
 Mr. Cartwright's statement was misleading and ludicrous. Some \$35,000,000
 was in the form of maturing debentures and was renewed at a reduced rate
 of interest, reducing to some extent the annual expenditure from income.
 The other items which Mr. Brown and the Finance Minister enumerate have
 not been expended, and the country was never committed to their expendi-
 ture. It is quite true that a portion of it has been spent upon the canals
 and upon the Pacific Railway, but the present Government did not feel itself
 bound by the engagements of their predecessors in respect to the Pacific
 Railway. They abandoned the scheme of their predecessors and adopted
 one of their own, which involves the sinking of a large amount of money
 hopelessly in the wilderness between Lake Superior and the Red River : but
 so much has been done that it must now be completed. No Government
 was committed to the other schemes named, and no prudent Government
 would have gone on with as much as the present Government has proceeded

with in the state in which the finances of the country have been in since 1873. The public resources and credit would not have permitted the country to have borrowed \$125,000,000 or \$130,000,000. The amount has not been wanted, and it is absurd and dishonest to speak of it as the sum of inherited engagements. I hold that no Government would be bound by the engagements of their predecessors to proceed with public works, irrespective of the condition of the finances of the country. The doctrine is monstrous. It was especially unpardonable in the Government of which Mr. Cartwright was Finance Minister to continue the public expenditure on an extravagant scale.

Mr. Macpherson then briefly exposed the delusiveness of Mr. Cartwright's estimates of 1874 and 1875, which he did more fully at Port Elgin. (See his speech at that place.)

THE WELLAND CANAL BUNGLE.

If there were one thing more than another expected of Mr. Mackenzie, it was that he would administer his own department carefully and intelligently, skillfully and efficiently. I have described to you his mode of constructing the Pacific Railway, and I think you will agree with me that that has not been characterized by much skill or judgment. The way in which the Welland Canal enlargement has been proceeded with marks, if possible, still greater mal-administration and incapacity. One of the objects to be accomplished by enlarging the canal is to obtain the water supply from Lake Erie. There are twenty-five locks between Lake Ontario and Thorold. Twenty-four of these may be said to have been completed last year. The guard lock and other works near Port Colborne, including a barrier of rock containing 500,000 yards, were only put under contract last year, after the locks between Lake Ontario and Thorold were almost completed, so that those twenty-four Locks lie useless and worse—deteriorating for want of water. The following is the

Expenditure on the Welland Canal.

1874	\$ 746,420
1875	1,047,119
1876	1,569,478
1877	2,199,962
	<hr/>
	\$5,562,979
Estimates voted for year ending 30th June, 1878.....	2,000,000
Supplementary Estimates for year ending 30th June, 1878,	
also voted and expended it may be assumed.....	138,500
	<hr/>
	\$7,701,479
Interest on this sum at 5 per cent per annum is \$385,074 ;	
for three years it will amount to \$1,155,222, which	
amount at least, I am assured, will be lost to the country,	
in consequence of the injudicious order in which the	
works have been proceeded with. The enlarged canal	
is not likely to be completed before the spring of 1881.	

I will now submit a statement of the

**Increase of Annual Charges under Mr. Mackenzie's Government,
many of them Caused by Mismanagement, Extravagance,
or Favoritism.**

1. Increase of annual Controllable Expenditure	\$2,300,000
2. Increase of Interest on debt, Management of debt and Sinking Fund	2,032,812
Total.....	\$4,332,812

The above sum of \$4,332,812 capitalized at 5 per cent. amounts to \$86,656,240; that is, the increased amount of annual burdens since 1873, for which the present Government is responsible, would pay the interest at 5 per cent. per annum on **\$86,656,240**. It amounts to **10** cents a bushel upon **43,328,120** bushels of wheat, or a larger quantity of wheat, I apprehend, than is produced in the Dominion. Now, gentlemen, you know how much toil and anxiety it costs you to raise and market 1,000 bushels of wheat. The increased taxation imposed upon you by the present Government will take from you annually one tenth, or 100 bushels of every 1,000, that you raise, assuming the price of wheat to be \$1 a bushel. These facts are as incontrovertible as they are appalling.

Among the items included in the increased annual controllable expenditure, for which the Government of Mr. Mackenzie is responsible, are the following :

Salaries and Contingencies in Public Offices at Ottawa and Legislation	\$433,512
Salaries of Cabinet Ministers	32,200
Administration of Justice	166,631
Post Office	356,157
Customs	153,929
Immigration and Quarantine.	54,850
Excise	34,453
Superannuations.....	51,807
Weights and Measures.....	60,661

The Government will, of course, say that my estimate of \$2,300,000 as the amount of the increased annual expenditure for which they are responsible, is excessive. It is an estimate, and like every estimate open to question. But I believe it to be fair and liberal to the present Government.

I now come to my last statement, which is as follows :—

GENERAL SUMMARY OF LOSSES.

Loss by purchase of Steel Rails (estimate).....	\$2,000,000
Loss of interest on Lake Superior section Canadian Pacific Railway (estimate)	862,500
Loss of interest on Welland Canal expenditure (estimate).....	1,155,222
Loss by Fort Francis Lock.....	250,000
Loss by apparent favoritism	109,338
Loss by Fort Pelly Buildings, practically abandoned.....	29,320
Loss by amount paid to relieve Mr. Foster of his contract for Georgian Bay Branch Railway contract.....	41,000
Loss by amount paid for purchase of Kaministiquia Terminus more than was necessary, estimated at	30,000

Estimated Loss upon these Items..... \$4,477,380

It occurred to me when looking at your harbor to-day that, if the \$30,000 overpaid on Goderich harbor, or even a portion of it, had been expended here, it would have done better service than it did by enriching a favorite of the Government, the friend of your representative, at the expense of the public.

MR. CARTWRIGHT'S LOANS.

Late as it is in the evening, I must say a few words on Mr. Cartwright's loans. I have taken great exception to his mode of borrowing money. He has done it in this way. He insisted on borrowing at a lower rate of interest than capitalists in England were willing to lend on Canadian securities. Mr. Cartwright said in effect to the capitalists, "I want to get money nominally at four per cent.; I want to show the people of Canada that I have borrowed from you by showing to you the silver side of my shield, while I show them the brazen side. They will not understand the sacrifice involved, and I will issue the loan at a handsome discount." The amount lost, in round figures, on the last loan, as near as I can ascertain, was $12\frac{1}{2}$ per cent., or one-eighth of the whole amount of the loan. He sank that amount of capital in order to get the interest nominally lower than the market rate. While we got only $87\frac{1}{2}$ cents in the dollar, we have to pay interest on 100 cents, and have to repay 100 cents in the dollar. Mr. Cartwright has had the credit of borrowing at four per cent. interest, while the capital he sunk will bring the rate of interest well up to five per cent.; and yet in the face of this fact I observe that leading Ministerialists are actually stating at public meetings that the rate of interest is only four per cent. What can be the explanation of such a mis-statement? Can it be that the gentlemen do not understand the question, or are they guilty of wilful misrepresentation? His system involves an enormous loss of capital to the country, and what we want is capital to carry on our public works. Under Mr. Cartwright's arrangement about one-eighth of the capital was sunk in advance for interest. It is just as if one of you borrowed \$700 but gave a mortgage on his farm for \$800, for the sake of getting money at a nominally lower rate than it actually did cost him.

QUEBEC.

I intended to say something to you on the constitutional question in Quebec. Many think the Lieut.-Governor of that Province made a fillibustering raid upon the Constitution. Every Province in the Dominion is deeply interested in the question. Ontario is as much concerned as Quebec, for it affects our constitutional rights and privileges. It was, therefore, unfortunate that your representative, the only constitutional lawyer of repute on the Government side of the House, did not take part in the debate. His opinion was anxiously looked for and it was expected that, if he approved of the conduct of the Lieut.-Governor, he would have advanced strong constitutional arguments in support of his opinion, or that, if he looked upon the act of the Lieut.-Governor as an act of dangerous usurpation, he would have had the patriotism to have condemned and denounced it. But he neither spoke nor voted on the question. Unfortunately the Ministerial party one and all seemed to think that what had been done in Quebec might serve them in the coming elections, and they suppressed their indignation (if they felt any) at the overthrow of the Constitution as they had done their professions and principles and pledges when the assertion of them might have weakened their hold on office.

I intended also to have said something upon the political recreancy of the Government. It is, however, known to you all. You remember how Mr. Blake and Mr. Mackenzie denounced coalitions, yet, when they first went into office, they formed a coalition, and tempted men to sell themselves and their principles for place and pelf. (Cheers.) Disregarding their pledges, they coalesced with their opponents from Cartwright to Cauchon. All these things are written in the history of the country, and I fear will have an evil effect on the very morals of the people, because it will enable men to justify political misconduct and corruption by pointing to what leaders of public opinion have done. The incapacity and extravagance of the Government are also chronicled in the history of the country. The consequences of these will be felt grievously in the pockets of the taxpayers for many years to come. Their farms are mortgaged for the amount of the increased expenditure and they must pay it out of the first fruits of their labor.

CONCLUSION.

I have felt it my duty to expose the deficiencies of the Government. My object, as I have told you, is to see the Government of this country placed in the hands of competent, true, and honorable men, who will conduct the public business ably, honestly, and economically, for the benefit of the people of Canada, and not for the enrichment of political parasites. It is to me personally, except as one of the general public, a matter of indifference who may govern the country. I occupy the same position as yourselves, that of a tax-payer. It is in the interests of the people alone that I am exposing the Government, and doing it at the sacrifice of much of my own ease and comfort. I shall conclude by giving from an American writer upon a former American

Administration, words which, as paraphrased, may be applied with justice, I think, to Mr. Mackenzie's Government:—

"Mr. Mackenzie has parenthesized in history five years which will be marked hereafter as the era of vicarious Government and the period of greed—five years of such official incapacity and reckless extravagance, such selfishness and shamelessness, such low aims and base purposes, such grasping avarice and eager over-reaching, such speculation in official information, and such degradation of all things which the Dominion has held to be high, and holy, and worthy an honest pride, that to-day the country hangs its head, and holds its nose, and waits for this Administration to pass."

Mr. Macpherson resumed his seat amid prolonged cheering. A vote of thanks to him was carried unanimously and the audience dispersed.

THE BANQUET.

A splendid banquet was given to Mr. Macpherson in the evening. Every seat was occupied and many who desired to be present were unable to gain admission.

Mr. MACPHERSON, in response to the toast of his health, expressed his appreciation of the very cordial manner in which he had been welcomed by his old constituents. He was delighted to see the progress which the beautiful town had made, and to know that a new industry—the manufacture of salt—had sprung into existence and had flourished for a time since his last visit. He had visited the large establishment of Mr. Rightmeyer, but he was sorry to learn that it was not as prosperous as it had been or as it should be to give a fair return to those who had invested their money in it. He regretted to hear that some of the salt establishments had been closed—that the salt industry, like many other interests in Canada, had been overborne by the large importations from the United States, and that the town, like others throughout the Dominion, was suffering from the slaughtering of its industries. (Applause.) He hoped there would soon be a return to a more prosperous condition of affairs, and it rested with the people to say whether it should be so or not. Within a few months they would have an opportunity of choosing representatives either to support the present Government, which declared their inability to do anything to restore the prosperity of the country, or to support the party which advocated a national policy. (Cheers.) He then proceeded to show that without such a policy manufactures could never be established in Canada. The Finance Minister had expressed the hope that Canadian manufacturers would seek markets in other and more distant countries in place of in the United States, from which they were unfairly excluded. That was as unreasonable as the command of Pharaoh to the Israelites, to make bricks without straw. How could Canadian manufacturers extend their trade to foreign countries when they were not allowed to exist at home. Would he have them go to foreign countries and say, "If we establish such and such a manufacture in Canada, will you buy from us and what price will you give us?" Manufacturers must

be firmly established in a home market before they could compete in foreign markets. (Cheers.) Designing men had endeavored to mislead the public by representing that the adoption of a national policy meant increased taxation. Nothing could be more fallacious. Only a certain amount of revenue was required, and that must be obtained under any circumstances. Under a national policy the duties would be imposed mainly upon such articles as could be produced in this country instead of upon those which must always be imported. (Cheers.)

TIVERTON.

On Wednesday morning Senator Macpherson and party drove to Tiverton, where he addressed a meeting of his old friends. He expressed regret at finding the harbors along the coast of Bruce, especially the harbor of Inverhuron, little better than they were fourteen years ago. If a small proportion of the money which had been wasted had been judiciously expended on the harbors of Bruce, the public would have benefitted. He might mention what was well known, that about \$30,000 had been paid to the contractor for the Goderich Harbor Improvements in excess of the price at which an experienced contractor tendered for the work. That was a scandalous case of favoritism, and a large amount of money had been lost to the country, while the harbors on the coast of Bruce were left unimproved. Here, as at Kincardine, he exposed the fallacy of supposing that a national policy meant increased taxation, and showed that it would involve not an increase in the amount of taxes, but simply a readjustment of the tariff. At the conclusion of the address a vote of thanks was carried unanimously, and the meeting separated with cheers for Senator Macpherson and the Queen.

UNDERWOOD.

A rapid drive through a fertile rolling country, rich with luxuriant crops, brought the party to Underwood, where they were met by a party of friends and a band from Port Elgin, ten miles distant. The party proceeded to the Town Hall, where Senator Macpherson was presented with an address, to which he replied in a brief speech, dealing principally with financial matters. He also advocated a national policy, and pointed out the absurdity of the cry raised by its opponents that it meant increased taxation. He concluded by referring to Mr. Cartwright's insult to the Highland race, and amid cheers called upon them to resent the insult at the polls. A vote of thanks was carried unanimously, and the party, headed by the piper and the band, drove to Port Elgin.

PORT ELGIN.

This thriving town, one of the most beautiful, enterprising, and prosperous of the many thriving towns of Bruce, was all astir as the party drove through its streets. Flags and bunting fluttered from scores of houses, and evergreen arches and mottoes of welcome testified to the hearty and generous greeting which its inhabitants accorded to their visitor.

At the Town Hall, which was handsomely decorated for the occasion, addresses were presented on behalf of the citizens of Port Elgin and the Liberal Conservative Associations of Port Elgin and of the Township of Arran, to which Mr. Macpherson replied at considerable length. He expressed his gratification at the warmth of his reception, as well as at the fact that it came, not from one party merely, but from the citizens of Port Elgin generally. There were circumstances which made that peculiarly gratifying to him. In that town he had been vilified by a member of the Government, the Minister of Finance, for the fearlessness and truthfulness with which he had exposed the extravagance and shortcomings of the Administration. Ministers could not disprove any one of his charges, and had resorted instead to coarse personal abuse of himself. This splendid reception, this glorious ovation, was a fitting rebuke to his traducers. (Cheers.) He was glad to see the interest which the young men of the country were taking in public affairs. On them devolved, in consequence of their greater advantages of education, the duty of investigating public questions for their fathers as well as for themselves, and of removing the prejudices which bound their seniors, traditional prejudices which had no longer any bearing on or significance in the public questions of the day. (Cheers.) A more manly and thoroughly honest people than the inhabitants of Ontario did not possess the franchise in any country, and furthermore they were more advanced in intelligence than almost any other people of the same number on this continent. Regard for consistency was a creditable and honorable feeling, but it might be carried too far, and it was carried too far in parts of Ontario, and in that very township. (Hear, hear.) He regretted to learn that the harbors on the coast of Bruce had been neglected by the Government, while they had put \$30,000 into the pockets of a favorite at Goderich. He attributed that neglect to the fact that the people in certain parts of the county had so blindly and slavishly adhered to one party that they had lost their individuality and their political importance as communities. The result was that their interests were neglected when public improvements were in contemplation or public money was to be expended. The present Government could always count upon the support of certain sections of Bruce, and consequently they made no effort to deserve it. So long as that state of affairs continued, and until the people asserted their independence of self-constituted conventions and of self-seeking politicians, their interests would be neglected. (Applause.) The young men should, therefore, devote themselves to searching for the truth and placing it before their seniors, who would cease to be deceived by traditional cries of Reform and Conservative, now that those cries had ceased to have any significance. (Applause.) Mr. Blake had taunted his own party with being "Reformers who have "nothing to reform." It was true, and a very happy condition it was for the country to be in. A country without political grievances, without civil or religious disabilities, was in an enviable condition; and the people of such a

country should put aside everything of an unimportant or only traditional character which was calculated to divide them, and should unite in promoting the development of its resources and in educating and elevating themselves and their children. (Cheers.) There was not one question, except the commercial policy, that need separate the people of this country, not one that honest representative men of the old parties could not sit down together to discuss and solve in the common interest. The cries of "Reform" and "Conservative" were now kept up by those who desired to perpetuate divisions and heart-burnings among the people, not in the interest of the people but of themselves, the self-seekers of the country. (Cheers.) The mission of the young men should be to seek the truth, and having found it, to place it before their seniors that they might no longer be influenced by designing men who would divide the people for the purpose of enriching themselves. Let the people accord their support to honest, patriotic men, and to able administrators, uninfluenced by *effete* party names. He then replied to the address of the Liberal Conservative Association of Arran. The meeting dispersed with cheers for Senator Macpherson, Colonel Sproat, Sir John Macdonald and the Queen.

In the course of the afternoon the Senator was driven to the harbor, which is in a condition that is far from creditable to the Government, considering that about a quarter of a million bushels of wheat were shipped from it and were subjected to extra insurance in consequence of the condition of the harbor.

BANQUET AT PORT ELGIN.

In the evening Senator Macpherson was entertained at a banquet in the Town Hall. The large room was crowded with the representative men of the town, and among those who had assembled to welcome the Senator were many gentlemen who had fought the battles of the Reform Party when there were reforms to be fought for, and when Reformers were more than placemen. The Hall was very tastefully decorated by the ladies of Port Elgin, many of whom graced the banquet with their presence. After the usual loyal toasts had been cordially drunk, the toast of the evening was honored with great enthusiasm, and the piper played a stirring martial air. Senator Macpherson responded, dealing with the finances of the country. Referring to Mr Cartwright's speech at Port Elgin, he said it was almost wholly devoted to abuse of himself (Mr. Macpherson)—unprovoked and wanton abuse, for he had not, before the delivery of that speech, uttered a discourteous word about Mr. Cartwright. Mr. Cartwright's speech was insulting to the intelligence of his hearers, and the delivery of it was an abuse of their hospitality. (Cheers.) But he (Mr. Macpherson) would not return railing for railing. The people of Port Elgin had vindicated him. They had avenged him, and if he were to retaliate on Mr. Cartwright with vituperation, he should be lowering himself to his level, which self-respect as well as respect for them would prevent his doing. (Cheers.) Instead of explaining the finances of the country, Mr. Cartwright had devoted much time to Mr. Tilley's

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estimates, and that he must have done for the purpose of deluding and misleading his hearers. The extravagance or economy of a Government must be ascertained not from estimates, but from expenditure. Governments should act as prudent individuals would act. When enjoying an overflowing revenue, improvements might be entered upon, and expenditure incurred which would be highly imprudent under different circumstances. Notwithstanding the serious and continued decrease of revenue, the present Government persisted in lavish expenditure. All would remember the professions of economy which had been uttered so profusely by Mr. Mackenzie and his colleagues when they were in Opposition, and the people expected when they raised them to power that retrenchment would have been practised. He had supposed that in Mr. Mackenzie's case, considering his professions and habits, economy was with him an instinct, and that he would watch the expenditure of the people's dollars and cents just as faithfully and conscientiously as he would watch his own. Probably no man in Canada was more disappointed with the administrative failure and political recreancy of Mr. Mackenzie and his colleagues than himself (Mr. Macpherson). He was surprised that Mr. Mackenzie should have taken into his Government so extreme a Tory as Mr. Cartwright had always been, but he supposed it was a matter of necessity, and an admission that there was no man in the Reform ranks qualified to take charge of the finances of the Dominion.

MR. CARTWRIGHT'S MISCALCULATIONS.

He would call attention to Mr. Cartwright's estimates of revenue and their deplorably fallacious character. Estimates of revenue were much more important than estimates of expenditure, and the former should govern the latter. Estimates of expenditure were always largely within the control of the Government, while estimates of revenue depended mainly on the prosperity of the people. By watching how the revenue came up to the estimate, the Government had an unerring guide to the expenditure. He would read the estimates of revenue made by Mr. Cartwright in 1874 and 1875. He would read Mr. Cartwright's words, not his own, and would also place the returns of revenue before them that they might contrast the revenue with the estimates.

In 1874 Mr. Cartwright imposed taxes which he estimated would yield \$3,000,000. In his Budget Speech, delivered on 14th April of that year, he said :—"The total amount expected to be derived from these new sources of revenue is about \$3,000,000, which is about the amount we require over the \$22,000,000 already estimated for, in order to meet the enormous additional expense which we must expect during the next four or five years." He also said : "*I do not think that any greater increase of the tariff than we suggest now would be wise. I think we have gone to the limit beyond which it would be impossible to pass without resorting to direct taxation.*"

The following is an extract from Mr. Cartwright's Budget Speech, delivered on 16th February, 1875 :—"I think that during those ten years (1874 to 1884) we shall probably borrow from our own people, through the medium of Savings Banks, or receive from miscellaneous sources, about One Million of Dollars annually, amounting in all to Ten Millions."

In the same Budget Speech Mr. Cartwright further said :—" If the House coincides with me in the opinion that it will be wise and prudent with these heavy engagements, to maintain a steady, moderate surplus, we shall probably have another Million per annum from that source, amounting to Ten Millions more."

The following table exhibits Mr. Cartwright's Estimates compared with the actual results :—

ESTIMATED REVENUE AFTER THE TARIFF WAS INCREASED IN 1874.

<i>Estimated Revenue.</i>	<i>Actual Revenue.</i>
1875.....\$25,000,000	1875.....\$24,648,715
1876.....25,000,000	1876.....22,587,587
1877.....25,000,000	1877.....22,059,274
<u>\$75,000,000</u>	<u>\$69,295,576</u>

Receipts of Revenue in 1875, 1876, and 1877 less than estimated by Mr. Cartwright in Budget Speech, April 14th, 1874....**\$5,704,424**

ESTIMATED SURPLUSES OF REVENUE.

<i>Estimated Surpluses.</i>	<i>Actual Deficits.</i>
In 1875.....\$1,000,000	1876.....\$1,900,785
In 1876.....1,000,000	1877 .. 1,803,618
In 1877.....1,000,000	<u>\$3,704,403</u>
<u>\$3,000,000</u>	Less Surplus, 1875. 935,644
	<u>\$2,768,759</u>

Amount of Surpluses in 1875-76-77 (see Budget Speech Feb. 16th, 1875) estimated to be..... 3,000,000

Less than estimated by Mr. Cartwright in his Budget Speech of Feb. 16, 1875.....**\$5,768,759**

ESTIMATED INCREASE OF DEPOSITS IN GOVERNMENT SAVINGS BANKS.

(The amount on deposits in the Government Savings Banks at the end of the fiscal year before the date of his speech [30th June, 1874], was \$6,078,678, and this sum must have been Mr. Cartwright's standard.)

<i>Estimated Annual Increase of Deposits in Government Savings Banks.</i>	<i>Decreased Amount on Deposit in Savings Banks.</i>
1875 over 1874.....\$1,000,000	1875 less than 1874...\$267,390
1876 over 1874.....1,000,000	1876 " " .. 841,114
1877 over 1874.....1,000,000	1877 " " .. 351,879
	Total decrease of Deposits in Government Savings Banks in 1875-6-7.....\$1,460,383
Estimated Increase for 1875-6-7...\$3,000,000	
Add estimated Increases \$1,000,000 a year for three years...\$3,000,000	

Amount of deposits in Savings Banks less than estimated by Mr. Cartwright in his Budget Speech, 16th Feb., 1875.....**\$4,460,383**

Senator MACPHERSON continued :

Let me compare the receipts with the estimates. Mr. Cartwright estimated the revenue at \$25,000,000 a year at least. The amount received into the treasury for the three complete years of Mr. Mackenzie's Government, for which we have the Public Accounts, amounted only to \$69,295,576, or an average sum of \$23,089,525, being in round figures \$2,000,000 a year less estimated. The exact falling off was \$5,704,424, and the discrepancy between the estimates and the actual revenue increased annually.

Again, Mr. Cartwright estimated that there would be an annual surplus of \$1,000,000. Had this been realized it would have amounted for the three years to \$3,000,000, but instead of this surplus Mr. Cartwright has been confronted with a net deficit of \$2,768,759 for the three years, making the actual discrepancy between his estimate and the result \$5,768,759.

Then, again, Mr. Cartwright estimated that the revenue through the Government Savings Banks would amount to a million a year over the amount of the deposits in 1874, but instead of that the deposits in the Government Savings Banks have not since 1874 reached the amount they stood at then, and the discrepancy between Mr. Cartwright's estimate of revenue from this source and the result for the three years is no less than \$4,460,383. The Government had thus early warning of a decreasing revenue, early intimation that Mr. Cartwright's estimates were fallacious to the extent of millions a year, and surely it was their duty to have checked expenditure and enforced the most rigid retrenchment throughout the public service. But instead of retrenchment, the Government continued to distinguish its reign by extravagance and waste. What can be said in defence of a Government that could have been guilty of such recklessness ?

Nothing indicates the condition of the poorer people more clearly than the deposits in the Savings Banks. Here they have been decreasing every year since 1874, and in the face of the great falling away from Mr. Cartwright's estimates the expenditure was continued on a prodigal scale. (Cheers.)

ANOTHER OF MR. CARTWRIGHT'S MISTAKES.

There is another matter in which Mr. Cartwright is concerned to which I wish to call attention. At Lindsay, less than a month ago, speaking of his supplementary estimates of last session, he said :—

"Moreover it was the extreme of absurdity to suppose that other Governments did not find it necessary to bring down very large supplementary estimates. Why, no longer ago than the year 1869-70, he found that under the late Administration in one single year supplementary estimates were brought down to the tune of \$7,346,541. (Hear, hear, and cheers.) He did not say that any blame was to be imputed to the late Government for that ; the greater part of the expenditure was in many cases chargeable to capital account, and in no respect to the income of the year. But great blame was to be attached to experienced men—men trusted by their fellow countrymen—at any rate, by a considerable number of them—for making it a charge against the Government that they had brought down

"estimates on capital account amounting to \$2,000,000 for the last year, without any mention of the \$7,346,000 brought down by these gentlemen themselves. (Hear, hear.) That was not a fair thing to do. It was perfectly fair to criticize these estimates, but it was perfectly fair at the same time for the honest opponent to take the opportunity of admitting that, so far from being unusual, it was the customary course which all Governments had pursued."

This statement surprised me, and I turned up the supplementary estimates for 1869-70, and discovered that the Minister of Finance had committed an egregious error, one, considering his high office and his facilities for procuring accurate information, which was altogether unpardonable. He included the sum of \$1,460,000 twice in the statement which he made at Lindsay. He misrepresented the Government of 1869-70 by that large amount; and I ask you if that were "a fair thing to do." It may have been only a blunder, but, coming from the Minister of Finance, it was an unpardonable blunder. I think it has become evident that neither his estimates nor his statements can be relied upon. I now dismiss Mr. Cartwright, and I hope the people, for their own sake, will dismiss him also.

SOUTHAMPTON.

A rapid drive brought Senator Macpherson and party to Southampton at an early hour on the morning of Thursday. They were met by a number of the residents, headed by the Saugeen Indian Brass Band, and escorted to the Town Hall, which was decorated with flags for the occasion. The streets were ornamented with graceful arches.

An address was presented to Senator Macpherson by the Mayor of Southampton on behalf of the people of the village, to which he replied in a manner that evidently produced much satisfaction among the audience.

A most pleasing incident was the presence of settlers from Amabel and other portions of the Indian Peninsula, who expressed the obligations which they were under to Senator Macpherson and Col. Sproat for the justice and consideration they had obtained for them in respect to the revaluing of their lands, the necessary steps to secure this having been taken before the change of Government.

The party were then driven down to the fine harbor of Refuge, formed partly by Chantry Island. It is a lovely, charming locality, and must become a fashionable resort for the people of the Dominion. The party remained enjoying the cool breezes from the lake till the whistle of the train summoned them on board.

PAISLEY.

On the arrival of the train at Paisley, Senator Macpherson was met at the station by a vast crowd, and presented with an address by A. McNeil, Esq., President of the Liberal Conservative Association. Senator Macpherson having

responded, a procession of carriages was formed and, headed by a band, drove through the streets of the town to the leading hotel, where he was entertained at a banquet. From the dining-room the party adjourned to the Town Hall, where Senator Macpherson addressed a meeting. He spoke at considerable length on financial and national policy questions, and then referred to the changes which had taken place in Bruce since he had last visited the county. He rejoiced to see the improvement which had taken place in Paisley. With its splendid water power it ought to be one of the most flourishing and rapidly growing places in the county, and all that was necessary to make it so, he believed, was the adoption of a true national and patriotic policy. (Cheers.) With fair encouragement to capitalists, Paisley would soon become an important manufacturing town, benefitting not only its people but the farming community in the vicinity by furnishing them with a home market for their produce. Under the mistaken policy of the present Government capitalists had no inducement to invest their money in Canada. Investments in Canadian industries were practically prohibited, even in a town like Paisley where the facilities for manufacturing were great. While Canadian manufactures were excluded from the American markets by high or prohibitory duties, they were overborne in their own markets by American manufactures. There was no opening for successful enterprise, and the fine water power of Paisley would be comparatively unused until their rulers adopted a national policy. (Cheers.) He told them it would rest with themselves at an early day to determine whether to continue the present pauperizing policy or to change it for one that would restore prosperity. He addressed his brother Highlanders and told them that he had resented, so far as he could, the insult hurled at him, at them, and at the memories of their fathers by Mr. Cartwright. It rested with them to punish it through the ballot-box.

NOTE.—Mr. Gillies addressed a meeting at Paisley after my departure for Walkerton. I see that he accused me of political inconsistency in that I in 1864 had represented myself to be a Baldwin Reformer, and had not consistently acted the part of one since. It is quite true that I did so represent myself. I was and am one still—Baldwin-Reformer and Liberal-Conservative are now synonymous terms. When accusing me of political inconsistency Mr. Gillies should have proved his charge by my votes in the Senate. I challenge him to do so. It is political blasphemy in members of the present Ministerial party to take the name of Robert Baldwin upon their lips. The unselfish and pure Baldwin would have repudiated them with scorn. I may define my politics in the following words of the large-hearted Scottish divine, the late Rev. Norman McLeod, D.D. :

“All true politics should be in the line of making all the good possessed by the nation or in the nation, as much as possible a common good. No institution can be righteously defended unless it can be proved to benefit the country more than its destruction could do.”

Mr. Gillies further asserted, following in the footsteps of his unscrupulous leaders, that my financial statements were untrue and that he could prove them untrue from the Public Accounts, but, like his leaders, Mr. Gillies was careful not to produce the Public Accounts, and I much fear that to him the book of Public Accounts is a sealed book.—D. L. M.

WALKERTON.

The drive from Paisley to Walkerton was through a rich and splendid agricultural country—one of the finest wheat-growing districts in Ontario. The party were met about a mile from Walkerton by a procession of carriages, headed by a brass band, and escorted into and through the town to the Drill Shed, where the Mayor presented Senator Macpherson with an address, to which he replied at considerable length. The Liberal Conservative Association, by its President, also presented an address, to which the Senator suitably replied.

THE BANQUET.

In the evening Mr. Macpherson was entertained at a banquet in the Opera House, which was brilliantly decorated. The usual loyal and patriotic toasts having been duly honored, the Chairman proposed the toast of the evening, which was received with prolonged cheering. Senator Macpherson responded as follows :—

MR. MAYOR, LADIES AND GENTLEMEN,—I thank you very sincerely for the cordial and hearty manner in which you have received the toast of my health. It is but following in the way in which it has been received throughout the county, wherever I have gone, and for all of which I feel intensely, deeply grateful. It is gratifying to me to see the banquet graced with the presence of so many of the ladies of Walkerton. Their presence is always a guarantee of good order at assemblages such as this; and, furthermore, we are banqueting under the Dunkin Act, as we have done at all the banquets which I have attended in the County of Bruce.

THE NATIONAL POLICY.

The words that I propose to address to you this evening will be on a subject which I consider of vital importance to the country. It is what is known as the National Policy. (Applause.) I may tell you that I myself have been a Free Trader. I would be so to-day, if our neighbors would reciprocate. (Hear, hear.) If they would reciprocate fairly with us, I would prefer such an arrangement to any other. We had not to consider the question of our commercial policy until within the last few years. Free trade and protection were merely theoretical questions in Canada. From 1854 to 1865 we had a Reciprocity Treaty with the United States. That gave us free trade with our neighbors in all natural productions. When that treaty was abrogated, the war prices which ruled in the United States secured to us all the advantages, all the protection we required.

OUR INDUSTRIES.

It was not until prices fell in the United States to a level with our own that our producers and manufacturers found themselves at a great disadvan-

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tage, found it impossible to compete with the producers and manufacturers of the United States, even in our own markets. Our manufacturers found it impossible, manufacturing for a limited home market as they had to do, and with their products excluded from the larger markets of the United States by a prohibitory tariff, to compete with their rivals from that country who were permitted to bring their products into our markets at comparatively low duties, and crush our industries. The manufacturers of the United States have thus had, so far as the Canadians are concerned, a monopoly of their own market of forty millions of people, and a slaughter market in Canada for their surplus products. It is not surprising, therefore, that Canadian industries should have succumbed one after another, until now but few of them remain, and that these few are languishing.

THE NATIONAL POLICY OF 1870.

In 1870 the Government of that day introduced into Parliament a tariff of a protective character—a tariff intended to promote a national policy. I considered it premature. I thought the Americans should have had a little more time allowed them to get over the war irritation under which they had abrogated the Reciprocity Treaty. I thought if we, in 1870, enacted a higher tariff, and one which would be represented as, to some extent, retaliatory, it might postpone the renewal of a Reciprocity Treaty, and that that would be unfortunate and undesirable.

So anxious was I that nothing should be done to postpone the renewal of the Reciprocity Treaty with free trade secured in that way, that I moved an amendment to the Tariff Bill in the Senate, and came within four votes of defeating that measure.

A CHANGE OF TARIFF IN THE UNITED STATES IMPROBABLE.

Every article that we produce is subject to a high duty when taken to the United States, while almost the whole of their natural products are admitted into this country free of duty. Our tariff on manufactured goods, such as cottons, woollens, hardware, &c., is $17\frac{1}{2}$ per cent. *ad valorem*. The American tariff is very much higher. The tariffs of the two countries on the articles most in use are as follows:—

	CANADIAN DUTY.	AMERICAN DUTY.
Wheat	Free.	..... 20c per bushel
Rye and Barley.....	Free.	..... 15c per bushel
Indian Corn and Oats.....	Free.	..... 10c per bushel
Wheat Flour.....	Free.	..... 20 per cent.
Rye Flour and Corn meal.....	Free.	..... 10 per cent.
Oatmeal	Free.	..... $\frac{1}{2}$ cent per lb.
Potatoes	10 per cent	..... 15c per bushel
Live Animals	10 per cent	..... 20 per cent.
Coal.....	Free.	..... 75c per ton.

CANADIAN DUTY.		AMERICAN DUTY.
Salt	Free.	{ In packages 12c per 100 lbs.; in bulk 8c per 100 lbs.
Wool	Free.	
Pig Iron	Free.	25 to 50 p.c.
Bar Iron	5 per cent	\$7 per ton.
Plate and Boiler Iron	5 per cent	35 to 75 per cent.
Iron Rails	Free.	\$25 and \$30 per ton.
Steel Rails	Free.	\$14 per ton.
Bricks	Free.	\$25 per ton.
Trees, Plants, and Shrubs	10 per cent	20 per cent.
Flax, dressed	Free.	20 per cent.
Flax, undressed	Free.	\$40 per ton.
Flax Seed	Free.	20c per bushel.
Starch	2c per lb.	\$20 per ton.
		{ 1c. per lb. and 20 ¢ cent. <i>ad valorem</i> .

The following articles, all of which in our tariff come under the general figure of $17\frac{1}{2}$ per cent., are, by the American tariff, charged with the rates undermentioned :—

Wood Screws	56 to 60 per cent.
Saws	40 to 50 "
Cars and Locomotives	35 "
Machinery	35 "
Stoves and other Iron Castings	30 "
Woollen Cloth	66 to 70 "
Flannels and Blankets	85 "
Ready-made Clothing	35 to 60 "
Carpets	50 to 84 "
Alpaca Goods	85 "
Heavy Cottons	40 "
Finer Cottons	50 to 70 "
Cotton Yarn	46 to 60 "
Spool Thread	47 to 81 "
Silk Cloths	50 to 60 "
Linen Cloths	30 to 40 "
Rubber and Leather Goods, Fur Goods, Glass Bottles and Lamp Chimneys, Clocks, Furniture, Carriages, En- velopes, Writing Paper, Room Paper, Felt Hats of wool, Guns, Rifles, Pistols, Umbrellas and Parasols.	35

Only last session of Congress a bill was introduced to modify the tariff and adopt as nearly as possible a uniform rate of 35 per cent.—just double ours. Well, gentlemen, that bill was scouted by Congress.

It was rejected with scorn, so that we have no ground to hope for a modification of the tariff of the United States, and yet here we are adhering to our own low tariff and allowing our industries to be extinguished.

THE CANADIAN TARIFF.

It is the habit of Ministerial theorists to tell the manufacturers of this country with a sneer, that they have a protective tariff of $17\frac{1}{2}$ per cent.,

and should be content with it or close their establishments. But it should be borne in mind that while the rate of protection is nominally unchanged, the amount is changed very materially since the tariff was enacted in 1874. The duties under our tariff are levied on the *ad valorem* principle—that is, the duty upon every \$100 worth of cotton say is \$17.50. In 1874 the price of American standard sheetings was ten cents and eighty-hundredths of a cent (twelve cents United States currency,) per yard, the duty on which was one cent and eighty-nine hundredths of a cent per yard. But the price of similar American cottons, (the goods which, I understand, enter into competition with Canadian cottons,) has fallen to seven cents a yard. The duty of $17\frac{1}{2}$ per cent. on seven cents is only one cent and twenty-two and a-half hundredths of a cent per yard, so that the protection enjoyed by the Canadian manufacturer in 1878 is sixty-six and a half hundredths of a cent (say two-thirds of a cent) per yard less than it was in 1874, when the present tariff was passed. To have maintained the protection at one cent and eighty-nine hundredths of a cent per yard, (the rate of 1874), the duty would now require to be 27 per cent. *ad valorem* instead of $17\frac{1}{2}$ per cent., and if the consumer had to pay 27 per cent in 1878, he would be paying no more duty per yard than he paid in 1874. I fancy I hear a Ministerial theorist say, True, but the consumer saves the two-thirds of a cent per yard on his purchases of cotton in 1878. My reply to the theorist is that there is much in the intricate fabric of modern society not dreamt of in his philosophy. I would remind him that the consumers are also the taxpayers in this country, and that they must pay in one way and another, and sooner or later in revenue an amount equal to the annual expenditure of the Government. Now the deficits of late years have been largely owing to the fall in value of our staple imports. The deficits had to be covered with borrowed money, on which the country, which means the consumers of the country, is paying interest and must ere long pay the principal—the deficits. It will thus be perceived that the consumer has not saved two-thirds of a cent per yard on his cottons, but has gone into debt through his agent, the Minister of Finance, to that extent. Would it not, therefore, been wiser and more for the advantage of the whole people to have paid as we went along, to have avoided the national discredit of deficits, and to have maintained this protection on our cotton and other manufactures at the same rate per yard or other quantity as was given to them in 1874. I have taken the cotton manufacture as an example. What applies to it applies to all our industries. The country is concerned to know whether the Minister of Finance is still prepared to say, as he did in his Budget speech of 1874, “I do not think that any greater increase of the tariff than we suggest now would be wise. I think we have gone to the limit beyond which it would be impossible to pass without resorting to direct taxation.” If he is, and Mr. Mackenzie’s Government is sustained at the general election, it is difficult to see how direct taxation can be postponed beyond next session.

SHOULD ADAPT OUR POLICY TO OUR CIRCUMSTANCES.

It is useless in us, and folly, to attempt to set up a policy of our own which is entirely opposed to that of our great neighbor. Compared to that neighbor we are as a boy to a man. We cannot dictate a policy to them; we must be governed by their policy. (Hear, hear.) If we disregard their policy, as we have done for years, and endeavor to set up a policy of our own which is at variance with theirs, we must take the consequences, and, unless we are very blind, we must foresee what the consequences will be. Our persistence in our present policy has brought adversity upon the country, and it is to be hoped we shall have wisdom enough to change it and adopt a national policy. (Cheers.)

CAPITALISTS WILL NOT INVEST IN CANADIAN INDUSTRIES.

It is obvious that, as long as the present policy is allowed to continue, our industries will remain prostrate and our prosperity will lag. (Hear, hear). There is no inducement for capitalists to invest money in Canadian industries. Our market is limited. The market in the United States is large, but the Canadian is practically excluded from it by the protective tariff of that country. Now, if capitalists contemplated establishing manufactures on this continent, would they not be more likely, under existing circumstances, when the cost of the raw materials and of the elements that go to make up the cost of manufactures, including labor, is about the same in both countries—would not thoughtful, prudent moneyed men be more likely to establish their industries on the other side of the line in the midst of forty millions of people, and from whence they could enter when they chose the more limited Canadian market at comparatively low rates of duty and trample upon the Canadian manufacturers? Would they not rather do so than invest their capital in this country, in the midst of only four millions of people, knowing that, if they wished to take their manufactures to the larger market on the other side of the line, they would be met by duties so high that, when they paid them, they would be unable to compete with the manufacturer in the United States; and in addition to this would be exposed to crushing competition in the limited home Canadian market. (Cheers). You will all see, gentlemen, the disadvantages of investing capital in this country, disadvantages so great that no prudent man would do it, and, therefore, while we remain under our present system, and the tariff of the United States continues what it is, there is no prospect of manufacturing industries being established in Canada, because there is no possibility of their prospering (Cheers). One of the greatest evils of our present policy is that it virtually prohibits the investment of capital in reproductive industries. There is no investment for capital except in mortgages, and the interest on these is largely sent abroad, to the impoverishment of Canada. I venture to say there are few, if any large manufacturers in Canada who, if they could, would not remove their establishments to the United States.

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Under present circumstances our importations are so large that all we produce and export is insufficient to pay for them and for the interest on the public debt of the Dominion and on other indebtedness—loans, provincial, municipal, and individual. The amount of obligations for which the country has to provide is greater than its products are sufficient in value to meet. The consequence is, we are going heavier into debt every year. The balance of trade against us, that is, the value of our imports over the value of our exports for the ten years between 1868 and 1877, amounted to the enormous aggregate sum of \$236,000,000. Now, gentlemen, it is surprising that the country is not more depressed than it is to-day, under these circumstances. Debt rolling up against us, deficits rolling up against us, the balance of trade against us, the policy of the Government against us.

HOW THE BALANCE OF TRADE IS ADJUSTED.

The balance of trade, like many commercial questions, is one about which much is written by theorists, and these gentlemen would have us believe that our prosperity is not affected by the fact that our imports largely exceed our exports. I contend that that is a dangerous fallacy in this country. It is different in England, where, according to the official returns, the imports are larger than the exports, but England carries on an enormous indirect foreign trade; English capital is invested in every civilized country, and the interest on foreign investments and profit on her indirect trade, items which do not appear in the Trade Returns, are more than sufficient to adjust the balance in her case. (Hear, hear.) We have little or no indirect trade, no foreign investments, and no means of meeting our engagements—no means of paying for what we import, except with the products of the soil, the sea, the forest, and the mine. We have nothing but our natural products to export, and, therefore, if what we produce in that way is insufficient to pay for our importations and the interest we have to remit to our creditors, then we are rolling up a debt against ourselves. There can be no doubt upon this point. Theorists and doctrinaires cannot disprove it. Our country is in a state of heavy indebtedness and in a state of depression and suffering. It may be asked, "how do we get on at all, owing such large amounts as we do?" It is done largely by increasing loans. The Government is paying the interest on our debt, to a large extent, out of loans. Thus the evil day is postponed, but it is only postponed. The day of settlement has to come; it is inevitable. Then, individual indebtedness is largely extinguished through the insolvency courts, and a deplorable way it is of extinguishing debts. We know to what an extent it has been the case in this country of late years, and that a system of honey-combing is still going on. Unless we can check this and restore prosperity—and I maintain we can only do so by an entire change of our commercial policy—the country will be thoroughly depleted of its means. (Hear, hear.)

A MORE SERIOUS LOSS.

And not only is the country being depleted of its money, but it is being depleted of what is more important—its wealth-winners—its young men. The last census of the United States, showed that nearly 500,000 native born Canadians were settled in that country. How many have gone there since, you can estimate as well as I can. I have no doubt the number is very large. Is not this a deplorable state of things, and can we expect this country to rise in importance and wealth while it continues? Without wealth we know it cannot rise in importance, and how can wealth be created when the more enterprising of the youth of the country are leaving it. (Cheers.) What can prove more convincingly that the policy of the Government is unsound and unwise than that it is driving away the youth? What can be more condemnatory of the Government than that it persists in a policy which is expatriating our youth and pauperizing our country, which is sapping the happiness and prosperity of the people?

VARIETY OF OCCUPATIONS REQUISITE.

Young men, especially men educated as your sons are now, have more enterprise and more intelligence than their predecessors had, and many of them are not content to remain tillers of the soil, honest, honorable, and independent though that occupation may be. (Cheers.) The professions are overstocked with them, and they seek their fortunes in foreign countries in occupations which they ought to find at home. (Applause.) Young men, furthermore, vary in their tastes and require varied occupations. The tilling of the soil is the primitive industry and conduces to independence perhaps with more certainty than any other, but it is attended with great toil, and young men who are highly educated are, as a rule, unwilling to incur such labor. And besides their unwillingness men's tastes differ with respect to occupations—differ just as much as their characters and appearance; differ just as much as the color of their hair—and, unless they can find in their own country congenial occupations, they will forsake it, no matter how painful it may be to leave their homes, their parents, and their friends. (Cheers.)

WHAT AN ENGLISH WRITER THINKS OF OUR POLICY.

I read recently the opinion of an able English writer on the trade of Canada. He takes a gloomy view of our prospects under existing circumstances. I shall give you his words:—

“Canadian trade figures, taken generally, have for long given unmistakable signs that her business on the whole was not following its natural course. “Canada has been importing beyond her means year after year, or at all events “much beyond her exporting capacity, and no doubt she has been able to do “so by reason of the money which we had so freely lent her. A new, raw, “unopened country, can have no margin to trade upon in this fashion, except

"by borrowing, and it follows, therefore, that so far as our business with Canada has been based on money lent beyond the true capacity of the country to pay the loans, it has been misused, and must be reduced. Since 1873, a process of reduction has been going on, which is, therefore, so far healthy; but the limit is, I am persuaded, not yet reached, especially as the exporting capacity of the Dominion has, at the same time, been on the decline. What the healthy basis may be it would be hard, in view of the facts I have indicated, to predict; but it is quite clear, when we consider the large sum which the country has yearly to find for interest on Government loans and on dividends in companies working with foreign capital, there can be no safety till the export figures are in excess of the import. * * *

"Wait till the tide has well turned, and then we shall see what the wealth of the farmer means. He stands to be ruined by a big crop in Europe and America. What Canada has most of, beef, pork, corn, wood, and wool, the United States has a great deal more of herself, and what the United States seeks to supply in the shape of manufactures, Canada wants to make at home. There is hence no good scope for a large development of reciprocal trade between these two countries at present, least of all a good outlook for the farmer in the event of a succession of splendid harvests."

Now, I should be sorry to say anything to alarm or discourage the farmer, but it does seem to me that we may be on the eve of just such a state of affairs as this writer foreshadows.

THE DANGER OF A BOUNTIFUL HARVEST.

The crops are very promising in Europe, and it is known the prospects in the United States are that the harvest will be greater than it ever was before. The Bureau of Agriculture at Washington, which furnishes valuable information to the people, estimates the wheat crop of this year at 400,000,000 of bushels, of which, it is believed, there will be 100,000,000 bushels to spare for export. Now, I just put it to this audience, many of whom are farmers, or connected with farming, what would be the condition of the farmers of this country if a considerable portion of that great surplus should be poured into our markets? (Cheers). There is, as I have said, a prospect that the crops in Europe will be very large, and that the markets will be very low.

THE ADVANTAGE THE AMERICAN FARMER POSSESSES.

Then, it must be remembered, that the crop is harvested in the United States much earlier than in Canada, and that the high prices which may be anticipated early in the season, go to the American farmer because his wheat gets to market first. By the time the Canadian farmer gets his wheat to market he finds it glutted with wheat from the United States. This is almost an annual occurrence. (Cheers).

THE HOME MARKET THE BEST.

Now, there is no market, so far as the farmer is concerned, equal to the home market, if it be fairly secured to him. Not only does he find sale there for the great staple products, but also for the smaller articles which, in the

aggregate, go far to pay the expenses of his farm and home, and which enable his wife and children to contribute largely to the family prosperity.

ENGLAND AND FREE TRADE.

England is spoken of as a free trade country, and free trade opinions have certainly made greater progress, and have been carried into practice to a greater extent in that country than in any other, but, at the same time, England is very far from being a free trade country. She collects from customs duties upwards of \$100,000,000 a year. That proves to you that she is not altogether a free trade country.

ENGLAND'S POLICY, PROTECTION TO MANUFACTURES.

I think I can also prove to you that England's free trade policy, or what is called her free trade policy, was really an exceedingly able and profound policy of protection, and that the avowed object of the British Government and Parliament was to protect their own industries, and to secure to their manufacturers a monopoly of the markets of the world. (Cheers.) That may be a somewhat novel view to many of you, but I think I shall be able to prove its correctness, and to do so in the words of the great statesman who introduced England's free trade measures into Parliament—the late Sir Robert Peel. In 1846, when he introduced his bill to abolish duties on raw materials, including breadstuffs, he said :

“ In the year 1842 it was my duty, as the organ of the Government, to propose a great change in the then existing customs of the country. The general plan upon which I then acted was to remit the duties upon articles of raw material, constituting the elements of manufacture in this country. The manufacturers of this country have now, therefore, an advantage which they have not hitherto possessed. They have free access to the raw materials which constitute the immediate fabric of their manufactures. They wished to establish the prosperity of that great staple manufacture of this country—the cotton manufacture—on some sure and certain foundation.

“ Sir, I propose, in taking the review of duties still existing to which we are invited by Her Majesty, to continue to act upon the principle which this House has sanctioned, and I take in the first instance those articles of raw material which still remain subject to duty. I mean to deal with them in order still further to enable me to call on the manufacturer to relax the protection he still enjoys. Sir, there is hardly any other article of the nature of a raw material which is now subject to duty. I propose, without stipulation, that England should set an example by a relaxation of those heavy duties, in the confidence that that example will ultimately prevail ; that the interests of the great body of consumers will soon influence the action of the Governments, and that by our example, even if we don't procure any immediate reciprocal benefit, yet, whilst by a reduction like that we shall, in the first instance, improve our own manufactures, I believe we shall soon reap the other advantage of deriving some equivalent in our commercial intercourse with other nations.

“ I do hope that the friends and lovers of peace between nations will derive material strength from the example which I have advised, by remitting the

"impediments to commercial intercourse. But observe, if that be the effect, "I think in all probability that the continuance of permanent peace will expose "us to a more extensive and more formidable competition with foreign coun- "tries with respect to manufactures. During war we commanded the "supply of nations. Peace has introduced not only new consumers, but also "formidable manufacturing interests. In order that we may retain our pre- "eminence, it is of the greatest importance that we neglect no opportunity of "securing to ourselves those advantages by which that pre-eminence can be "alone secured. Sir, I firmly believe that abundance and cheapness of pro- "visions is one of the constituents by which the continuance of manufacturing "and commercial pre-eminence may be obtained. You may say the object of "these observations is to flatter the love of gain, and administer merely to the "desire of accumulating money. I advise this measure on no such ground. "I believe that the accumulation of wealth, that is the increase of capital, is a "main element, or at least one of the chief means by which we can retain the "pre-eminence we have so long possessed."

It is quite clear from this that Sir Robert Peel's object was to place the manufactures of his country on a secure basis, on such a basis as, he thought, should give them the manufacturing for the whole world.

MANUFACTURES A BASIS OF WEALTH.

Sir Robert Peel recognized that nothing contributes so much to the wealth of a nation as pre-eminence in manufactures, because a nation that manufactures even enough for herself retains within her own borders the wealth produced and created there, except so much of it as she must give in exchange for what she requires and cannot produce or manufacture, and must in time become rich under moderately prudent and economical government. The money which changes hands for what is produced in the country remains in the hands of the people of the country, and is not sent abroad to enrich other lands. When Great Britain opened her markets to the world, her far-seeing statesmen expected that other nations would accept the principles of free trade, follow her example and abolish their protective duties. But the statesmen of France, Germany, Belgium, Switzerland, and other European countries were far-seeing also. They recognized the fact that without manufactures they could not become wealthy and powerful, and they adhered to a protective policy. The United States did the same. The result has been that the manufacturers of those countries have not only retained a large share of their own markets, but have been enabled to compete with the manufacturers of Great Britain in the other markets of the world, and, latterly even to compete with them at home, to some extent, and now we find many of the British manufacturers looking for protection from the competition of their foreign rivals.

I shall read a short extract from the speech of another member of the House of Commons, Sir Howard Douglas, delivered in the so-called Free Trade debate of 1846. He was arguing against the abolition of protective duties, fearing that the competition of foreigners would be too great for the English manufacturer. He said :

"But when the sphere of competition is extended and unprotected British (Canadian) labour is made to run against protected foreign labour, foreign competition must further beat down the efficacy and value of British (Canadian) industry, and of British (Canadian) labour, its main element, in relation to foreign labour, not only to, but beneath, that level."

Now, gentlemen, that is just the position we occupy towards the United States. They have protected labor, we have unprotected labor, and to compete with their prices our prices must be not only as low as their prices for the commodities we take to their markets, but must actually be lower to enable us to take them there, because, before we can enter their market we must pass their custom house and pay their high duties, which it is impossible for our unprotected manufacturers and farmers to do and live. Sir Howard Douglas goes on to say :

"Import duties imposed upon one side, deprive the country against which they are adopted, of the increased market, and consequently of the increased productive industry which international intercourse would create if fairly reciprocated ; and the due equilibrium can only be restored by imposing retaliatory duties.

"Smith expressly says, Book IV., Cap. II: 'To impose duties upon foreign, for the encouragement of native industry, when burthens are laid upon it by foreign nations, is one of the cases in which it is advantageous to protect in this way the home productions. For to lay suitable duties upon the productions of the foreigner who lays burthens upon yours, does not give the monopoly of the home market to the home producer, nor turn towards any particular employment more capital and labor than would naturally go there. It only hinders that amount of those actually engaged, from being turned away into a less natural direction, and leaves the competition between foreign and domestic industry upon the same footing as before the protecting duty so laid and retaliated.'

"Adam Smith's observation is obviously true. Protecting duties on one side destroy the equivalent expression ; it is like expunging a value from one side of an equation, without compensating for it on the other.

"There cannot be two prices for the same article in the same market. The foreign consumer will not pay more for a British than for a domestic article of equal quality. The exporter cannot pay the rival duty, for, if so, he would sell at a loss, or be undersold by the foreign rival ; and therefore, to compete with foreign protected markets, British articles must be produced so much cheaper as to enter into this competition. The cost of production must therefore be reduced. This is most immediately and readily done by reducing the wages of labor, and it is most important to remark that it is precisely in times of pressure, when profits are most bare, and labor most in want of employment, that this takes place, and that mechanical labor is most extended : this not only displaces manual labor in times of pressure, but by so much, precludes it from participating in future prosperity."

I think those words are peculiarly suggestive, and that it behoves us to weigh them, and to see to what extent they do bear upon our condition, and to be influenced by them, and by other evidence, in determining the commercial policy which we shall adopt.

Messrs. Cobden and Bright, those able leaders of the free trade movement

in England, were manufacturers, and whoever will read their eloquent speeches will discover that their whole and sole object was to have the factories of England run on full time and at the lowest possible wages; to establish England as the workshop of the world. To accomplish their object it was necessary to obtain all raw materials free of duty, including breadstuffs. Without cheap bread cheap labor could not be had. The repeal of duties on British manufactures did not involve any sacrifice, did not at the time jeopardize the home market. Cheap capital, cheap labor, skill, and experience, protected the British manufacturer then against foreign competition. Circumstances are changing in the most unlooked for manner. The foreigner not only competes with the British manufacturer in foreign markets, but has become a competitor in the British home market, and the British manufacturer is now beginning to call out for protection. British free traders were, and are ardent protectionists, of their own trades. Their national policy is protection for their own manufactures.

FREE TRADE THEORISTS

do a great deal to bewilder the ordinary thinker. They confine their own reading to works written exclusively on one side of the question, and they adhere to the views of that side, and insist upon carrying them into practice in the trade of a country like this, to which they are altogether unsuited. I believe there are men in the Government, who are influenced in this way—visionary men—who, I am sure, have no desire to do the country harm, but, on the contrary, desire to benefit it, but whose minds are fixed in favor of free trade by reading works on that side of the subject,—and a very fascinating side it is—and, although they have no practical knowledge of commercial matters, they insist upon carrying their theories into practice to the serious prejudice of the country. (Cheers.) They insist upon giving free trade to their neighbors, while they have failed to obtain it in return for their own country. Trade, to be of equal advantage to two countries, should be carried on between them on equal terms. Free trade, pure and simple, would mean a reciprocity of trade such as we enjoyed with the United States—an untaxed exchange of commodities. If that cannot be got, the next best thing would be a reciprocity of tariffs, so that the exchange of commodities might be effected upon equal terms. If the cost of commodities in two countries is about the same—and it is so at present in the United States and Canada—then, if one country imposes a higher duty than the other, it taxes the industry of that country more than its own industry is taxed by the other in return. It is obvious, therefore, that the industries of the country which has the lowest tariff are prejudicially taxed by its neighbor.

A PRACTICAL POLICY REQUIRED.

While I should like to continue to be a free trader, I am satisfied that we shall not have free trade with our neighbors—that they will not give it to us. I am, therefore, prepared to throw aside theoretical opinions and to be guided by

practical statesmanship in the conduct of the affairs of the country. I believe men who are charged with the administration of public affairs are in duty bound to do this. If a country is large, powerful, and wealthy, it can afford to adhere to principles which it may believe to be sound, but a country like ours must do the best it can under the circumstances in which it finds itself placed. It must compromise. We are like the mariner, we must trim our sails to catch the wind from whatever quarter it blows, and endeavor to use it to promote our advancement. The mariner cannot command a fair wind, but has to tack and get on as he best can with the aid of whatever wind may blow. This is very much our condition.

PRINCE BISMARCK ON FREE TRADE.

The last great convert to a national policy of whom I have heard is Prince Bismarck. Here are his own words as they are reported :—

“ I have given free trade a trial, and it does not seem to have benefitted the country commercially, industrially, or financially. I am overwhelmed with lamentation respecting the decline of trade and the decay of manufacturing enterprise, and with assurances—from people for whose judgment in such matters I entertain the highest respect—that partial and moderate protection will remedy those evils as if by magic. Therefore, I also propose to give protection a chance of ameliorating the condition of the manufacturing and operative classes, and of lightening the load which the budget unquestionably lays upon the shoulder of the nation. As certain of the Ministers with whom I have hitherto worked on my former platform will not range themselves by my side on my new platform, I must rid myself of them, and put others in their place who will carry out my resolves.”

Now, Mr. Chairman, there is no more practical and successful statesman in the world than Prince Bismarck. These are his views, and I think we can well afford to profit by them.

TAXATION FALLACY EXPOSED.

It is often said that, if we were to adopt the national policy, taxation would be increased. That assertion is sent abroad as a sort of bug-bear by those who are opposed to a national policy. The Government fixes the annual expenditure, and then has to provide the revenue to meet it, and the commercial policy would merely govern the mode in which the revenue should be raised, the articles upon which it should be levied, not the amount. No one, I fancy, would propose that a revenue exceeding the wants of the country should be raised. The question is whether we shall continue to raise a revenue by imposing duties upon what we do not produce, or by increasing the duties on articles which we do or can produce. Therein consists the difference between the existing policy and the proposed national policy. The aggregate amount of taxation would not be affected, but the tariff would be readjusted, and that is well known to many of those who circulate a different tale to deceive again those whom they have already deceived. The adoption of a national policy would lighten the burden of taxation.

WHO PAYS THE DUTY ?

Another point upon which there is much misapprehension, and upon which a great deal of learned discussion has taken place is the question "Who pays the duty?" The free traders, especially purely theoretical free traders, contend that the duty is paid by the consumers; that it matters not to the producer what duty is imposed by the consumer, because he must pay it himself. There is a very simple rule by which every man can ascertain for himself who pays the duty on almost every article. If we produce that which our neighbors have not, and which they must buy from us, we can put our own price upon it and leave them to pay the duty imposed by their Government. In that case the consumer unquestionably pays the duty. But our neighbors and ourselves produce similar commodities and our producers have to compete with their producers. On their way to the American market our producers have to pass through the American custom house and pay the American duty, and when they reach the market they can obtain no more for their commodities than the American producer who pays no duty. (Applause.) In that case the Canadian producer pays the duty upon what he takes into United States markets.

A FAMILIAR ILLUSTRATION.

Let me illustrate this in a manner that will make it plain to every one. Suppose a farmer in this county takes five horses, valued at \$100 each, to Detroit to sell. The duty on horses in the United States is twenty per cent., which the Canadian farmer must pay before he can enter the Detroit market. That is, he must pay \$20 a horse, and on his five horses \$100, or the value of one horse, at the United States custom house before he can take them to market. There he will get no more for them than a Michigan farmer will get for five equally good horses. Suppose that he and a Michigan farmer each sell five horses at \$100 a horse, each gets \$500 for his five horses. The American farmer takes his \$500 home in his pocket, while the Canadian farmer takes home only \$400. He had to pay \$100 for duty. I do not think the Canadian farmer would be in any doubt as to who paid the duty on his horses. So it is with barley, wool, and in all cases where the Canadian producer comes into competition with the American producer in the markets of the United States—he receives the same price as the American producer, and has to pay the duty, whatever that may be.

A POLICY ANNOUNCED.

In adopting a national policy it would require to be what the words imply. All interests would have to be justly considered—Agricultural, Manufacturing, Mining, Lumbering, &c.

I may say that my own policy would be this: I would adopt the tariff which I believed to be for the interest of Canada, making it generally reciprocal with the tariff of the United States. We cannot compel them to adopt our policy,

and I would say something like this to them, if I said anything: We have offered to exchange with you, on a free basis the commodities which we both produce ; we would prefer that reciprocity to any other, that is, an absolutely untaxed exchange of commodities, but, as you refuse to enter into such a treaty with us, then we will adopt your policy. As you will not give us untaxed reciprocity, we will reciprocate tariffs. (Cheers.) That is the language I would use to them, and I would not do it in a spirit of retaliation at all—I would do it simply in the interest of Canada.

I believe furthermore that a national policy is indispensable to the interests of the whole people. It is required to unite and weld them together with bonds of material interest stronger than any that exist at present. If our Confederacy is to take the place it ought to take in the hearts of its children, its widely separated Provinces and diverse peoples must be bound together by something purer, stronger, more unselfish, more patriotic, more national than "the cohesive power of public plunder."

INTER-BRITISH TRADE.

I would further endeavor to create and foster what I will call an Inter-British trade, that is, I would offer to England and to our sister colonies differential duties. I would discriminate in favor of British products.

Looking at our trade returns we should see what we import from foreign countries, and I would put certain duties upon those commodities. I would put lower duties upon what we import from Great Britain and our sister colonies—if the Mother Country and the other colonies would discriminate in our favor. (Cheers.) I feel satisfied that a reciprocal Inter-British trade might be established in that way which would raise the prosperity of this country and of the whole British Empire to a higher pitch than the most sanguine of us imagine. I believe it would lead to increased commercial prosperity, to a closer union of the British possessions, and that it would increase the warmth and strength of the connection which subsists between the various parts of the Empire. I do not see why we should not trade with the British West Indies on more favorable terms than with foreign countries, just as the States of Maine and Massachusetts trade with Louisiana. I do not know why we should not carry on such a trade with India and Australia as the Eastern States do with California. I believe if representatives of the Mother Country and of all the colonies met in London, they would discover that an Inter-British trade, such as I have lightly touched upon, might be inaugurated with the promise of great advantage to all parts of the Empire. At all events I think it would be worth trying, and that the present would be an especially favorable time to make the attempt. The present Prime Minister of England, the great Lord Beaconsfield, is pre-eminently the man to grasp and develop such a scheme. (Cheers.) It is possible that some theoretical free traders in England might object to Inter-British trade conducted on the principle of differential duties, in favor even of their own country, but I believe the practical business men of Great Britain

would view it with favor, especially when they read our trade returns and saw that our imports from Great Britain, which in 1873 were \$68,522,776, fell in 1877 to \$39,572,239 ; while our imports from the United States for the same period increased from \$47,735,678 to \$51,312,669 ; and that, in respect to our exports, while in 1873 we exported to Great Britain \$38,743,848, and in 1877 \$41,567,469, we exported to the United States in 1873 \$42,672,526, and in 1877 only \$25,775,245. In 1877 our imports from the United States were double the value of our exports to that country, whereas our exports to England exceeded in value the value of our imports from that country by two millions of dollars in round figures. This should give the people of Canada an idea of the amount of gold we are sending to the United States, in addition to sending them multitudes of our children. The subject of establishing an Inter-British trade is unquestionably a great one, and worthy to be taken in hand by Lord Beaconsfield. We must all admire the patriotic and masterly way in which his Lordship has discharged his duty to his country in the present grave crisis. Standing resolutely in the councils of the nation he, by the force of his character and his great wisdom, has raised Great Britain to a position which she has not occupied since the battle of Waterloo was forgotten. (Cheers.) He bearded the Russians, and insisted that the Czar should do justice to the Turkish Provinces, and should respect the rights and interests of Great Britain. He compelled Russia, at the close of a successful war, to relax her grasp upon her conquests. It had become the habit to sneer at the military strength of England, and to count it as naught against that of the military powers of Europe, but Lord Beaconsfield has shown that the title of Empress of India is no empty title, and that the Empress of India can bring into the field forces of indisputable bravery to match, if need be, the great armies of Europe. Lord Beaconsfield has reached a position of greater eminence than has been attained by any British Minister during the present century, for it has been attained without the shedding of one drop of British blood. (Loud cheers.)

THE QUESTION OF THE HOUR.

I do not know whether I should call the subject on which I have addressed you a dry one. It may be, as I have discussed it, but the subject itself is of the deepest importance to every one of us. It rests with yourselves, gentlemen, to determine whether we shall continue the policy which has existed for years, and under which we are going on from bad to worse—a policy which, if persisted in, I am satisfied, will lead us to disaster. It is for you to say whether you will permit that to continue, or whether you will brush from the wheel of State the flies that declare themselves to be powerless to guide it to prosperity. (Cheers.) The only great question which separates political parties in Canada to-day is our commercial policy. The importance of it cannot be overstated, and it is for the people of this country, within the next few months, to determine whether the present policy shall be continued for years

to come, or whether it shall at once be changed for a national policy, which may restore prosperity to this country, as Bismarck believes it will do to his. He has determined to change his colleagues in order to give protection a fair trial. Let Canada change her Ministers and do the same. (Prolonged cheering.)

Senator MACPHERSON proposed the health of the Mayor, the Chairman of the Banquet, and in doing so referred to a gentleman present who said he had been told that Sir John Macdonald and those who professed to support a national policy, if they should succeed to power, would disregard their professions and not change the commercial policy of the country. He (Mr. Macpherson) believed the gentleman who had said so must have been a supporter of the present Government one who, in consequence of the violation of pledges by Mr. Mackenzie and his colleagues, had lost all confidence in the professions and promises of public men. He (Mr. Macpherson) would assure them that, if there should be a change of men, there would be a change of policy. That what he feared was that the present Ministry, when they discovered that the country was in favor of the adoption of a national policy, would declare themselves ready to carry it out. If Mr. Brown believed it to be necessary to keep his nominees in power, he would not hesitate to declare himself in favor of a national policy, and, if he did so, we should immediately thereafter find Messrs. Mackenzie, Cartwright, Mills, and other professedly extreme free traders and theorists perambulating the country, advocating a national policy. (Cheers.) He regarded this as quite possible, as office, he believed, was the only object of those gentlemen. But, even if they should pretend to change their opinions, he advised the people not to trust them. They would not know how to inaugurate a national policy. Besides they had betrayed the people once and should not be trusted again. (Cheers.)

TEESWATER.

On Friday morning the party were driven to Teeswater, where Senator Macpherson was cordially received by the Liberal-Conservative Association of the Township of Culross, who presented him with an address. He replied at considerable length, and when speaking on the national policy he mentioned that, when returning from Manitoba last year, he saw a quantity of furniture on the way to Winnipeg, and took for granted that it came from Ontario, but to his surprise learned that it had been manufactured at Cincinnati, and that almost all the furniture imported into Manitoba was from the United States. He enquired why this should be? Furniture was manufactured as well and cheaply in Ontario as in Ohio, and the transport could not be less from Cincinnati than from Toronto. He said it seemed unreasonable and unjust, while the taxpayers of the Dominion were spending millions of dollars in Manitoba

and the North-West, that the profits of the trade of that country should be all reaped by the Americans. Mr. Macpherson was afterwards entertained at dinner in the leading hotel of the place.

FORMOSA.

The party were then driven to the village of Formosa. The residents, who are, with few exceptions, Germans, turned out *en masse* to welcome their former representative. Of all the hearty receptions which had greeted Senator Macpherson, none was more cordial and hearty than this from the honest and independent men of Formosa. The Formosa band, one of the best in Bruce, accompanied the party through the village. The stay was necessarily brief, and, as Senator Macpherson drove off, he was followed with "three cheers and a tiger" from the inhabitants.

MILDMAY.

The village of Mildmay was reached late in the afternoon. It is a new place, but the centre of a fine farming country, as the evidences of prosperity in the village indicate. A large crowd and a band had assembled to meet him. He addressed them on the national policy question, and then returned to Walkerton, arriving there after sunset.

DEPARTURE FROM BRUCE.

On Saturday morning the Mayor, Mr. Shaw, and other leading citizens of Walkerton were invited to meet Senator Macpherson at breakfast at Colonel Sproat's. At noon he was accompanied to the railway station and took the train to Toronto.

The progress through Bruce was one continued triumph, and at all the towns the leading men of both parties joined in extending a welcome to the former representative of the Saugeen Division, whose faithful and unselfish services all seemed anxious to recognize.